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Ontario's record of Great
achievements - Ontario elections
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**ONTARIO'S RECORD
OF
GREAT ACHIEVEMENTS**

Ontario elections, 1968,

**THREE YEARS
OF
THE SQUARE DEAL**

ONTARIO'S RECORD OF GREAT ACHIEVEMENTS

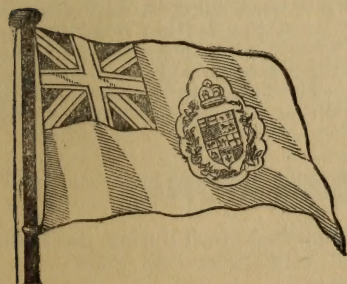
(THE WHITNEY GOVERNMENT TRUE TO PLEDGES

**"We Trust the People;
The People Trust Us."**

—Hon. J. P. Whitney

"Speaking as one from a distance, you have the advantage in Ontario of a Prime Minister who resolutely stands at the back of the laws to secure enforcement. Mr. Whitney is looked upon as a man who has set himself to administer the laws well. From the outside he strikes one as an honest man doing his duty."

ONTARIO ELECTIONS, 1908



THREE YEARS
OF
**THE SQUARE
DEAL**

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**A Pure Ballot—Clean Elections—Rule by
the People—Larger Grants for Edu-
cation, Agriculture and Charity—A
Reduced Debt—A Real Surplus.**

POLLING DAY, JUNE 8th, 1908

"Honest Enough to be Bold ; Bold Enough to Be Honest."

—Hon. J. P. Whitney

Three Years of the Square Deal

WHAT WAS PROMISED

During the last eight or ten years, the former Government of the Province did little besides planning and carrying into execution schemes to enable them to retain office. For a number of years, the Opposition, led by Mr. Whitney, had put up a courageous fight in the interest of fair-play and of decent government, and had from time to time suggested constructive legislation on a number of subjects of great importance. Among others, the subjects were:

Reform of the numbered ballot.

Sale of pulpwood and timber by tender.

Creation of Agricultural Schools.

Reconstructing the administration and financial resources of the State University.

Revision of mining laws, and appointment of a Cabinet Minister from New Ontario.

Modifying the County Councils Act, so as to restore its previous basis.

Abolition of grants to railways.

Cheapening school books and breaking up the school book ring.

Revision of the Public School System and creation of a Consultative Council of experts.

Honest enforcement of the license law.

Law Reform.

Putting the Provincial finances on a sound footing.

Not only has every one of these promises been fulfilled, but in the three years of the Whitney Administration, an important body of constructive and most valuable legislation has been enacted, exceeding in importance and value all that was put upon the Statute book by the previous Liberal Governments in thirty years. This may appear to be a strong statement, but an examination of the measures and policies carried out will show it to be within the mark. The following pages embody a record of progressive government, of which any community in the world might be proud.

WHAT HAS BEEN DONE

The Whitney Government has accomplished much during its three years of office.

It has abolished the numbered ballot. It has stopped ballot-box stuffing.

It has given a clean election law.

It has made larger grants for Education and for Agriculture.

It has burst the school book ring, and has given cheap text books.

It has introduced reform in the administration of the timber and the mines.

It has extended the Temiskaming Railway and has promoted the development of New Ontario.

It has given a Railway Commission to protect the rights of the people, and it has undertaken a large measure of prison reform.

It has administered the license law fearlessly and with an eye to the public interests, and it has collected with care the legitimate revenue of the Province.

While it has given more to the services which benefit the people, and more for charities, it has reduced the debt by \$670,000, and has rolled up a surplus of \$1,600,000 in cash.

WHAT IS BEING DONE

Although much has already been done much has yet to be effected, and the question before the people is whether or not the Government shall continue its work of development and reform. Among the questions now being worked out are the following:

- The reforming of the legal system with a view to the reduction of the number of appeals, the securing of speedy settlements of disputes, and the lessening of the cost of litigation.
- The completion of the educational reforms, including the preparation of new text books, and the cheapening of the books now in use where not already reduced in price.
- The carrying out of the policy of extending agricultural training to the people who require it through the medium of the schools.
- The establishment of the new experimental station in order to facilitate the settlement of New Ontario. The providing of better roads and trunk roads for that important part of the Province.
- The extension of the Temiskaming Railway northward, and the building of branches to remunerative points.
- The completion of the policy of smelting our own ores in our own province.
- The operation of the Gillies limit, and the utilization of the income for the general advantage.
- The carrying out of the scheme of prison labor reform under which there shall be no more competition of convict labor with the labor of free men.
- The pushing forward of the policy of re-forestration in old Ontario, so that timber may be produced on the waste lands, and the preservation of the timber reserves in the northern country.
- The continuance of the movement having for its object the scientific treatment of the insane and the curing of the afflicted along lines that have been found to be effective.
- The carrying out of the cheap power policy, the details of which have been settled upon, but have yet to be put into practice.

WHY NOT ANOTHER TERM FOR THE SQUARE DEAL?

A Clean Ballot : A Pure Election

The Law Against Ballot-Box Stuffing Made Effective and Searching

Every Man's Vote is Safe, and the Gerrymander No Longer Rules

To the task of putting an end to the coercion, the ballot frauds, and the corruption practiced by the Ross Government, the Administration has given a great deal of thought. As a result, the First Minister and Attorney-General Foy have introduced an important body of legislation.

No More Coercion

The first reform accomplished was the abolition of the numbered ballot. The late Government insisted upon numbering all the ballots so that the votes of the electors could be traced after the election. The meaning of this manœuvre was obvious.

Having the means with which to follow the ballots and to find how the elector had voted, the Government could coerce persons having business with it, and could punish those who did not vote as it required. It could also see to it that the bought vote was duly delivered. In addition, it was in a position, when an election took place, to determine where to lay on pressure.

The Whitney Government promptly repealed the law allowing the numbered ballot, and now every elector is a free man.

To make it doubly sure that there shall be no coercion, Section 173 of the new law declares that any person who represents to a voter that the ballot, or the mode of voting at an election, is not secret, is guilty of a corrupt practice, and is liable to a fine of \$200 and to imprisonment for a year.

A Clean Ballot Ordered

The old ballot, as provided by the Ross Government, was capable of manipulation with a view to spoiling. When a vote was spoiled it did not count. The opportunities for fraud furnished by this ballot were illustrated in many elections, particularly in North Waterloo, where ballots were defaced by Government agents; and again in North Grey, where the election of Mr. A. G. MacKay, the present leader of the Opposition, was achieved through the placing of a little cross on the margin of each of four ballots that had been marked for the Conservative candidate, thus spoiling them, and excluding them from the count.

The fraud which elected Mr. MacKay is provided against by the law which calls for a ballot paper that has no white margin upon which the little crosses or other defacements can be placed. The only white compartments on the paper are those in which the names of the candidates are printed, and those reserved for the cross of the elector. It is hoped that this improved ballot will afford the elector protection.

Bogus Ballots Ruled Out

Under the old system the Government of the day attended to the printing of the ballots. This meant that the work was conducted by the machine. As a result, bogus ballots were printed and the stuffing of the ballot box was rendered possible.

The new law changes all this. The returning officer must, in future, look after the printing of the ballots. The paper, which is of a special kind, is furnished by the King's Printer, and the returning officer supervises the printing in the manner provided by law.

To prevent the printing of bogus ballots it is declared that any person who prints ballot papers with fraudulent intent, or who prints more ballot papers than he is authorized by the returning officer to print, shall be guilty of an offence punishable by imprisonment, and shall be tried summarily.

Protection Against Ballot-Box Stuffing

A very valuable change in the law is that which gives the candidate the right to have a recount of the votes, no matter what the majority against him may happen to be. Under the Ross law a recount could not be asked for unless the majority was under 200.

This gave the ballot-box stuffer an opportunity. It was explained at one of the trials by one of these experts that if by the stuffing process the majority could be swollen to a figure exceeding 200, it was impossible to detect the fraud because an immediate recount could not be asked for, and the ballots could not be examined by the candidate who had been cheated. The law which forbade a recount unless the majority exceeded 200 thus helped the ballot-box stuffing operations.

By the new law which says that a candidate can have a recount, no matter what the majority against him may be, the protection hitherto enjoyed by the ballot-box stuffer is swept away, for the examination of the ballots by a judge will expose him.

Further Protection to the Ballot

In order the more efficiently to protect the ballot, and to prevent frauds, the following acts have been made punishable:

The altering of the ballot paper, or of the initials of the deputy returning officer.

The delivering to the deputy returning officer of any other paper than the paper given to the voter.

Using the authorized stamp for any other purpose than the stamping of ballot papers.

The fraudulent initialling of any paper by a deputy returning officer, so that that paper might be used as a ballot paper.

The printing of a ballot paper without authority or the printing of more ballot papers than are ordered.

The wilful miscounting of ballots, or the making up of a false statement of the result of an election by a deputy returning officer, or a poll clerk.

The appointment to the office of election clerk or of deputy returning officer, or of poll clerk, of any person who has been guilty of ballot manipulation or of any infraction of the election law.

The offence of voting more than once at an election.

The falsifying or altering of lists of voters or of poll books.

The unlawful destruction of documents, of voters' lists, and so on.

More Certain Punishment

Under the old law the above acts were not "corrupt practices" in the sense that if proven the party in whose interests they had been committed would lose his seat. This is altered. If these acts are committed, the seat may be vacated. Thus it is the interest of the candidate to see that nothing which promotes fraud is done.

Under the old law, also, corrupt practices were not punishable unless they had been exposed at the trial of an election petition. This is altered. No matter how the offence is discovered the offender can be pursued. The aggrieved party, instead of having to wait for months, can take the offender before the Summary Trial Court composed of any two judges of the Supreme Court, which has been constituted for the trial of corrupt practices, and of offences punishable by imprisonment.

While election offences that are punishable by imprisonment can be tried before the Summary Trial Court, other offences punishable by pecuniary penalties may be taken to any court of competent jurisdiction, the Division Court for example, and the penalties can be recovered there.

Some of the Penalties

The old law dealing with offences against the ballot and the ballot-box made the returning officer only liable to imprisonment. Now the deputy returning officer, or any other officer engaged in the election, and concerned in the frauds, is liable to three years in prison.

To prevent personation the penalty on a person who votes knowing that he has no right to do so is raised from \$100 to \$200.

To make sure that the election officials shall not be election crooks it is provided that no person who has been reported for corrupt practices shall act as returning officer, deputy returning officer, election clerk, or poll clerk.

No More Corruption

The law against different forms of corruption has been strengthened by the addition of the following provisions:

Any person who applies to a candidate for a loan or for any office on account of his voting for or agreeing to assist the candidate, is guilty of a corrupt practice.

Any person who agrees to give to or to procure any office for a person in order to induce such person to be nominated or to refrain from becoming a candidate, is guilty of a corrupt practice.

The hiring of rigs for the carrying of voters to the poll is a corrupt practice.

The transportation of voters free of charge or at a diminished rate to a polling place, by whatever means, is a corrupt practice.

These latter provisions strike at such frauds as those committed in the Sault election, through the hiring of the Minnie M., and the carriage of persons out to distant polls to vote.

Abolition of the Gerrymander

The law against ballot frauds has been accompanied by the abolition of the gerrymander which, for many years, prevented the fair representation of the people in the Legislature. How the gerrymander worked is made clear from the following facts. In 1883 the popular vote stood thus:

Conservatives.....	130,941
Liberals.....	127,804

Conservative majority..... 3,137

Yet, with a Conservative majority of 3,137, there were 46 Liberals and only 36 Conservatives elected.

A gerrymander of 40 ridings intervened.

In 1886 the popular vote stood thus:

Conservatives.....	162,990
Liberals.....	153,121

Conservative majority.....	9,869
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Yet, with a Conservative majority of 9,869, there were 59 Liberals and 29 Conservatives elected.

In 1902 the Conservative majority was 7,333. This should have given the Conservatives 60 seats, and the Liberals 38. But instead of so doing, it gave the Liberals a majority of 4.

This intolerable fraud was dealt with at the last session of the House, and a fair distribution of the worst cases of the former gerrymander was made. Under the new arrangement New Ontario gets an increased representation. Formerly the members were 7. now they will be 11. To this, and to the constituencies as marked out, the Opposition agreed.

Toronto receives four members also, owing to the large increase in population. The Opposition opposed this, and objected also to the giving of two members to each of the four constituencies instead of one as formerly. But as the constituencies were left exactly as the late Liberal Government fixed them, the objection was not sincere.

These are the principal changes in the law.

Reform All Around

As a result of the legislation passed with a view to the protection of the rights of the people, the ballot-box is now protected, the corruption is abolished, and the majority rules.

Ontario's Finances Successfully Managed

An Annual Deficit of a Million Turned Into a Handsome Surplus

Increased Grants for Education

Increased Grants for Agriculture

Increased Grants for Hospitals

New Grants for the Municipalities

THE OLD RAILWAY DEBT REDUCED BY \$671,000

A Surplus of \$1,655,000 in Three Years

The condition of the provincial finances when the Whitney Government took office is thus described by the former Premier and Treasurer, Hon. G. W. Ross, in his reply to an appeal for aid for the University (Globe, March 23, 1904):

"He would like to place a quarter of a million dollars or more at the disposal of the University for a Physics building. He believed in it at heart, and so did his colleagues; but would the House provide it just now? The normal revenue, the Premier pointed out, is about one million dollars short of the normal expenditure. If it had not been for the results of timber sales a reduction of expenditure or an increase of taxation would have been necessary. The Government has put a tax upon corporations, and there was a complaint. It was proposed this year to tax railways. Where can the money be got, if not by more taxation?"

This statement of the situation was no doubt correct. The cash surplus of \$3,800,000 left by John Sandfield Macdonald had been spent by his successors and a debt had been incurred.

To meet the needs of the Treasury encroachments had been made upon the revenue of the municipalities, and taxes of various kinds had been devised. Yet, as Mr. Ross reported, the ordinary income was about a million dollars less than the ordinary expenditure.

An Era of Deficits

That Mr. Ross spoke by the book the public accounts show. For several years there had been great timber sales to make the accounts balance. In other words, the capital of the province had been used up to pay our way.

Here are the figures from 1900 to 1904:

1900 Expenditure.....	\$4,003,929
Revenue.....	\$4,192,940
Less timber bonuses.....	636,464
Ordinary Revenue.....	3,556,476
Deficit.....	\$457,453
1901 Expenditure.....	\$4,038,834
Revenue.....	\$4,466,043
Less timber bonuses.....	571,383
Ordinary Revenue.....	3,894,660
Deficit.....	\$144,174
1902 Expenditure.....	\$4,345,003
Revenue.....	\$4,291,082
Less timber bonuses.....	227,667
Ordinary Revenue.....	\$4,063,415
Deficit.....	\$281,588
1903 Expenditure.....	\$4,888,982
Revenue.....	\$5,466,653
Less timber bonuses.....	1,340,696
Ordinary Revenue.....	4,125,956
Deficit.....	\$763,026
1904 Expenditure.....	\$5,267,453
Revenue.....	\$6,128,358
Less timber bonuses.....	1,664,258
Ordinary Revenue.....	4,464,100
Deficit.....	\$803,352

The regular revenue, as Mr. Ross stated, was insufficient to meet the expenditure, and the timber sales had to be made to cover the deficiency. This could not go on for ever.

The Debt Increased

At the same time there was a gradual increase in the debt of the province, which had been incurred in the granting of railway subsidies

This liability, consisting of railway aid certificates and annuities payable in yearly instalments, stood thus in the years mentioned:

1891.....	\$3,229,420
1898.....	5,046,911
1900.....	5,214,698
1901.....	5,870,840
1902.....	6,846,649
1903.....	6,675,931
1904.....	6,713,957

The obligation grew because of the inability of the Government to meet the annual payments as they fell due.

One of the consequences of the unfortunate state of the finances was a restricted credit. In 1904 an effort was made to float a \$6,000,000 loan to meet the cost of constructing the Temiskaming Railway. The best offer the Government could get for it was 93. That this was ruinously low, the fact that the Whitney Government afterwards sold the same bonds for 98½ clearly indicates.

The Conservative Policy

It was the policy of the Conservative party to remedy the financial evils. Mr. Whitney outlined the programme on this point thus:

"The financial position of the province is the key to the situation. With her extensive resources the problem of the provincial finances can be easily solved, leaving the way clear for such increased expenditure in agriculture and education as may be found necessary and desirable, and this result can be arrived at without periodically selling timber limits, or, in other words, capital stock, to cover up an anticipated deficit, caused by the excess of annual expenditure over annual income."

The Conservative policy then was, not the starvation of necessary services, but the providing of revenue that all might be sustained and made more beneficial. Larger grants were to be made to education, and better work was to be done for agriculture; but without increasing the taxes or wiping out the capital.

Reform Inaugurated

On the formation of the Whitney Government and the appointment of Col. Matheson to the Treasurership, the work of reforming the finances was promptly undertaken. The first move made looked to the proper collection of the revenue of the province.

It was found that this business had not been efficiently conducted, and that much public money had been lost. The revenue of the public institutions was not looked after, and the income from lands, timber and mines called for more careful supervision.

In addition to this there were sources of revenue which had been overlooked. Public property which might have been sold had been given away, and franchises which should have contributed largely to the income were not paying their share.

Corporation Taxes

One of the sources of revenue was the taxation of corporations. The Government looked into this matter, and decided that the protection given to these bodies by the province rendered it desirable that they should contribute more liberally to the provincial treasury.

Banks had been taxed, but the branch banks had escaped. These were required to pay a tax of \$25 per annum.

Railways and electric lines had been lightly taxed. These were called upon to pay sums more in accordance with the value of the franchises they enjoy. The alterations were as follows:

	Old Rate	New Rate
Railways over 150 miles in length in organized districts.....	\$30 a mile	\$60 a mile
For each extra track.....	\$10 a mile	\$20 a mile
Railways in unorganized districts.....	\$20 a mile	\$40 a mile
For each extra track.....	\$5 a mile	\$10 a mile

The rates were made similar for electric railways running on their own right of way, while for railways on the highway the tax is \$10 a mile for each track.

In laying on these levies the Government had the interests of the municipalities in view. It provided that, after paying for the cost of collection, the revenue should be divided between the province and the municipalities. In other words, half of the receipts from these corporation taxes would be given to the people.

The License Revenue

The revenue from licenses was also looked into, and it was decided that here an improvement could be made. License fees were therefore increased.

With the increase, however, came added revenue for the municipalities. It was provided in the law that the income from licenses, the smaller proportion of which had hitherto been given to the municipalities, should be equally divided between the municipalities and the province.

Other Sources of Income

Other sources of income were found in the Crown Lands. The great spruce areas, given away under the late Government, were now put up for sale by tender. From the sale of the Montreal Pulp concession the sum of \$300,000 was realized.

The great mining concessions were similarly treated. From the sale of the Cobalt Lake mining rights \$1,085,000 was collected, while revenue was derived from the Kerr Lake and Right of Way concessions.

More Money from Ottawa

Meanwhile the Government pressed the claim of Ontario for a larger subsidy upon Ottawa, and was successful in enforcing it. The original terms with the Dominion Government gave the province a fixed grant, regardless altogether of the increase in population and the increase in the cost of administration. It was contended by the Whitney Government, on behalf of Ontario, that the customs and excise revenue from the province were increasing, and that as we paid more taxes we were entitled to more income.

This view was maintained by other provinces, and the Dominion Government recognized that it was fair. The result was an amendment to the terms of Confederation under which Ontario is to receive for the purposes of Government \$240,000 per annum instead of \$80,000, and, in addition, 80 cents per head of the population, as determined from time to time by the census, instead of 80 cents per head for the population as it stood in 1861.

By this splendid move the Whitney Government secured for the province an increase in the revenue of no less than \$790,000 per annum. The subsidy as it had stood for years was \$1,339,287 yearly. By the

changes secured at Ottawa, it was raised to \$2,129,287. The first instalment of the new subsidy was paid for the last half of the year 1907.

The Larger Revenue

It was not until the fiscal year 1907 that the effect of the vigorous revenue policy was experienced. Then the figures began to grow, with the result that the power of the Government to aid education and agriculture was increased.

The following is a table giving the revenue for the past four years:

1904 (Liberal) including \$1,664,258 bonuses received from the sale of timber limits.....	\$6,128,358
1905 (First Conservative year) with \$520,070 from timber bonuses.....	6,016,176
1906 (Conservative) with \$535,970 from timber bonuses....	7,149,478
1907 (Conservative) with \$152,223 from timber bonuses....	8,320,419

The care with which the larger revenue has been collected, and without laying any taxes upon the people is better illustrated by the figures with the timber bonuses omitted. They are as follows:

1904 Total revenue.....	\$6,128,358
Less timber bonuses.....	1,664,258
Current income.....	\$4,464,100
1905 Total revenue.....	\$6,016,176
Less timber bonuses.....	520,070
Current income.....	5,496,106
1906 Total revenue.....	\$7,149,478
Less timber bonuses.....	535,970
Current income.....	6,613,508
1907 Total revenue.....	\$8,320,419
Less timber bonuses.....	152,223
Current income.....	8,168,196

It will be observed that there is a steady increase in the income that belongs to the current account.

Where the Increases Are

The increases in the revenue are found in the following leading items:

	1904	1907
Dominion subsidy.....	\$1,339,287	\$1,734,029
Crown Lands.....	2,781,272	3,068,494
Licenses.....	362,256	587,126
Provincial Secretary's Department..	101,943	257,208
Public Institutions.....	110,002	266,391
Taxes on Corporations and railways..	420,627	672,241
Succession Duties.....	458,699	821,692
Casual Revenue.....	107,510	164,525

Causes of Increased Revenue

When considering the increased expenditure, it must be remembered that many of these are specially offset by increased revenue. For instance, in 1907 \$235,000 interest on the London loan was offset by the

same amount received from earnings on the T. & N. O. Railway, and these earnings for 1908 are estimated at \$300,000. In 1907 \$180,000 was distributed among the municipalities from railway taxation, less charges at ten cents per day for non-pay patients in asylums, not one-fourth of the actual cost, offset by an increase of \$200,000 in taxes collected from railways over 1904; Central Prison industries cost \$65,000, offset by a revenue of \$73,000. In 1904 only net receipts of \$6,000 were given and no expenditures.

For 1908 the Dominion subsidy will be \$2,128,772, or \$790,000 more than in 1904, secured by the energy of the demands on the Dominion Government by Mr. Whitney and his colleagues, where Mr. Ross failed. Owing to better collection and administration and freedom from graft, \$2,100,000 will be secured in 1908 from timber dues, other than bonuses on sales, as against less than \$1,000,000 in 1904, and \$650,000 from mines, mining royalties and the Provincial Mine in 1908, as against \$32,000, the whole revenue from mines in 1904, when many of the most valuable mineral properties in the Cobalt District were practically given away for a song. Revenue from public institutions increased \$88,000 in 1907 over 1904, owing to better collections. Revenue from succession duties in 1907 increased \$360,000 over 1904, largely owing to better collection and strict valuation of estates.

These larger revenues the Government have not hoarded up, but spent for the advantage of the people while seeing that each year there was a substantial cash surplus over all expenditures, amounting in three years to \$1,655,000.

Larger Grants for the People

The better revenue has solved the problem with which Mr. Ross was faced. Under the Whitney Government with its vigorous financial policy it cannot be said, as was said by Mr. Ross, that nothing more can be done for the people because "the normal revenue is about a million dollars short of the expenditure."

As a consequence the promise of Mr. Whitney to increase the work done by the province in the way of education, and on behalf of agriculture, has been fulfilled. The grants to these services have been steadily increased, and the advantages experienced by the people have been multiplied, as the following figures show:

More for Education

For Education, including the grants to the Schools, the outlays have been thus increased:

1904.....	\$ 949,806
1905.....	1,131,799
1906.....	1,270,921
1907.....	1,359,905
1908 (Vote taken).....	1,600,364

The increased grants for Education, exclusive of the University grant, amount to \$650,000 per annum. This sum is used in the improvement of the schools, and in the securing for the people of a better and more useful education for their children.

More for Agriculture

For Agriculture, including the expenditures upon Colonization Roads, the outlays have grown thus:

1904 Agriculture.....	\$446,481	
Colonization Roads.....	175,620	
Total.....		\$622,101
1905 Agriculture.....	\$405,534	
Colonization Roads.....	178,313	
Total.....		583,847
1906 Agriculture.....	\$432,296	
Colonization Roads.....	219,559	
Total.....		651,865
1907 Agriculture.....	\$480,317	
Colonization Roads.....	316,906	
Total.....		797,223
1908 (Voted) Agriculture.....	\$533,263	
Colonization Roads.....	488,053	
Total.....		1,021,316

These votes mean an increase of \$400,000 in the expenditures upon agricultural work, and upon roads for the opening up of new districts to settlement.

Relief of the Suffering

For the Provincial institutions—such as asylums—the grants have been kept up, while for hospitals and charities the outlays have been as follows:

1904.....	\$236,592
1905.....	208,182
1906.....	334,169
1907.....	338,011
1908 (Voted).....	349,161

Here is an increase of \$110,000 in the grants towards the sick and the poor.

Returned to the People

At the same time the Government has commenced the payment to the people of a share of the revenue. Under the law which raised the taxation upon railways it was provided that the municipalities should receive a part of the money thus realized. The Government has made the following payments to the municipalities in conformity with this provision:

1906—Paid to the municipalities.....	\$81,060
1907—Paid to the municipalities.....	83,225
Total.....	\$164,285

Paying the Debt

In addition the Government has proceeded to pay off the debt left by its predecessors in office. This liability which was incurred by the grants to railways, called upon us to pay in annual instalments the sum of \$6,713,957. The Government has dealt with it in this way:

Debt in 1904.....	\$6,713,957
Paid off in 1905.....	\$223,760
Paid off in 1906.....	223,760
Paid off in 1907.....	223,760

Total paid.....	671,280
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Debt reduced to.....	\$6,042,675
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The liabilities of the province have been reduced by no less than \$671,000.

Growing Surpluses

While increasing the outlays upon education, agriculture and charities, and while returning money to the people and reducing the debt, the Government has been able to roll up a surplus every year. The surpluses of revenue over expenditure have been as follows:

1905—Revenue.....	\$6,016,176	
Outlay.....	5,396,016	
Surplus.....		\$620,160
1906—Revenue.....	\$7,149,478	
Outlay.....	6,720,179	
Surplus.....		429,229
1907—Revenue.....	\$8,320,419	
Outlay.....	7,714,245	
Surplus.....		606,174

Three years' surpluses.....	\$1,655,563
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The Government has also in the hands of the T. & N.O. Ry. Commission the sum of \$2,837,000 loaned or advanced to the Company which will be handed back.

Financing T. & N. O. Railway

To provide funds for the construction of the T. & N. O. Railway Mr. Ross at first borrowed money from the banks at five per cent., and afterwards in 1904 borrowed £1,200,000 sterling in England on Treasury Bills at 4 per cent., being one per cent. higher than the Bank of England rate, but owing to bad management and delays the money actually cost five per cent. He also considered an offer for bonds at $3\frac{1}{2}$ per cent. of 93 $\frac{1}{2}$, "plus \$25,000 commission," which Mr. Harcourt advised him to accept.

The former Government also actually sold \$1,000,000 of $3\frac{1}{2}$ per cent. bonds at 91.31 and accepted the offers, but subsequently, fearing the consequences, persuaded the purchasers to release them from the acceptance.

The present Government renewed the Treasury Bills twice at $3\frac{1}{2}$ per cent. and at 4 per cent., in both cases being the Bank of England rate, and in 1906 floated a permanent loan for £1,200,000 or \$6,000,000, in England at 98 $\frac{1}{2}$ as against the 93 $\frac{1}{2}$ the acceptance of which Mr. Harcourt advised, and there was no "plus \$25,000 commission."

In 1906 the present Government also floated a Canadian loan of \$3,000,000 at par, the only cost being the advertising and printing of the bonds. Recently the Government has also borrowed \$2,000,000 on Treasury Bills in England for railway purposes at three per cent. per annum, being the Bank of England rate. No better test could be given of the high credit of Ontario amongst financial men. Within six months the Dominion Government had to pay a much higher rate for temporary loans, not having provided for their financial requirements at the right time.

A Proud Record

The record of the Whitney Government is one to be proud of.

It took power at a time when, according to Mr. G. W. Ross, the income averaged a million less per annum than the expenditure. It faced an annual deficit of \$1,000,000.

It has wiped out the deficit.

It has increased the grants to education by \$650,000 per annum.

It has increased the grants to agriculture by \$400,000 per annum.

It has given \$110,000 per annum more to hospitals and charities.

It has given to the municipal treasuries, thus relieving the people of taxes, \$83,000 per annum, from the receipts from the railway taxation.

It has reduced the debt by \$223,760 per annum, or by \$671,000 in all.

And it has given us a surplus in every year of its administration, the total amount for the three years reaching \$1,655,563.

A Vigorous Agricultural Policy

The Work of the Agricultural College and Experimental Farm Developed in Every Branch—Advances Recorded in Three Years—New and Practical Ideas Put in Force.

O.A.C.—Attendance in all classes :

1904.....	833
1907.....	1,077

Macdonald Institute

1904.....	148
1907.....	244

Additions have been made to main buildings, chemical laboratories, etc., and the staff and equipment extended to meet the increased number of students.

Thorough instruction being given in farm mechanics, and a building has been provided for the purpose.

Work in connection with vegetable growing, forestry, field chemistry, poultry raising, has been further specialized.

To assist farmers in draining operations, instructors are now being sent out, and many farmers are availing themselves of their assistance and advice.

The short courses steadily growing in popularity. The number of students taking the short courses in dairying, poultry raising, stock judging, has increased from 247 in 1904 to 389 in 1907.

A short course has also been provided in domestic art at the Macdonald Institute for girls.

Advances in Connection with Fruit Growing and Vegetable Growing

The establishment of an Experimental Farm in the Niagara District to investigate and experiment with varieties and methods for the benefit of the fruit and vegetable grower.

The organization of special Fruit Institutes in fruit districts (Farmers' Institutes specialized) giving what is practically a short course in fruit culture.

The establishment of a Fruit Branch of the Department of Agriculture, in charge of a specialist (Director of Fruit Industry), the same as for the live stock industry, etc.

The granting of a bonus of \$50 to five or more persons co-operating to spray their orchards to check the ravages of insect pests and thus improve the standard of the fruit product. In 1907, 81 associations were given grants and 3,501 acres of trees were sprayed under Department regulation.

An annual grant of \$600 made to the Ontario Vegetable Growers' Association—an association of vegetable growers and market gardeners—industries that are rapidly growing in importance in many sections. The grant has been increased to \$800 for 1908.

Advances in Connection with Dairying

All cheese factories and creameries are now visited by Instructors and Sanitary Inspectors without cost to them; formerly only those requesting it and paying the charge were visited. Result—cheese and butter standards are improving, meaning better prices, and higher market reputation for dairy products.

Value of Cheese Output, \$17,500,000.

Value of Butter Output (factory), \$2,150,000.

Advances in Connection with Agricultural Societies and Associations

Acts controlling these organizations completely revised. Grants to agricultural societies made dependent on the amount expended by societies for "agricultural purposes," not on membership. Under this system the societies doing the most for agriculture receive the largest grants.

Special grants to societies holding seed fairs, stallion and bull shows. Sixty shows of this character held in 1907.

A series of competitions for farmers in the growing of field crops inaugurated; held under auspices of agricultural societies. Prizes provided by the Department.

Advances in Farmers' Institute Work

This work is developing along the line of:

(1) Special institutes such as fruit institutes (already mentioned), poultry and dairy institutions,

(2) Local Institute Clubs—offshoots of the main institute. These clubs meet frequently to discuss farming topics, whereas the regular institute holds one or two public meetings in the year, addressed by delegations of speakers.

At the same time the interest in the Farmers' Institutes is being generally maintained.

The organization of Women's Institutes throughout Ontario has been extended, and the grants to same increased. These have a membership of over 11,000.

Attendance—Farmers' and Women's Institutes

1900-01.....	102,461
1904-05.....	156,337
1906-07.....	181,919

Advances in Connection with Live Stock Industry

Special grants to Spring Horse Shows, and Poultry Shows.

To represent the interests of those actually engaged in the breeding and rearing of horses, as distinct from the horse fancier's end, the Ontario Horse Breeders' Association was organized and assisted with an annual grant of \$2,000.

To investigate conditions prevailing in connection with the horse breeding industry a special investigation was made by a delegation of experts who visited all parts of the Province. Their report has been published.

Value of the horses of the Province. \$80,000,000

Advances in Connection with Bee Keeping

The work of inspecting apiaries to prevent the spread of foul brood taken over from the Beekeepers' Association by the Department, and the number of Inspectors increased from one to six.

Hives of bees in Ontario, about. 200,000
Annual production. 8,000,000 lbs.

Reports and Bulletins

Twenty-nine bulletins, most of them entirely new, others revised reprints, have been issued since the beginning of 1905.

A special treatise on the Fruits of Ontario, illustrating and describing all varieties, issued for the use of commercial growers.

What the Ontario Agricultural College Does for the Farmer

Makes surveys and supplies plants for farm drainage. Demonstrated drainage principles on 107 farms in 1907.

Identifies plants and suggests remedies for the extermination of weeds and insects.

Supplies seed for improved varieties of farm crops.

Conducts experiments in the propagation, cultivation and spraying of fruit and vegetables.

Analyses water, feed stuffs, and fertilizers.

Tests quality of wheat and flour.

Supplies germs which enable the farmer to grow large crops of the clover family.

Grows and distributes forest trees for the wood-lot.

Gives special instruction in the handling and judging of live stock, in the making of good butter and cheese, in the production of eggs in winter.

About the College Dairy Herd—16 Cows

Average yield of milk per cow, 9,585 lbs.

Average amount of butter per cow, 399 lbs.

ONE cow in 365 days gave 20,778 lbs. of milk or 913 lbs. butter.

Dairy herd strengthened by addition of representative animals of the Ayrshire and Jersey breeds. Record of their performance not yet available.

Educational Reforms Carried Out

The Whitney Government Fulfils Its Promises— Large Increase in Grants to Public Schools —High Schools Aided—The State University Placed on a New Basis—Teachers' Training Improved — Over - Examination Checked — Continuation Classes Developed.

The present Government, on assuming office, was pledged to carry out educational reform with the following objects in view:

(a) To secure the efficiency of the public schools, wherein 95 per cent. of the children get all their education.

(b) To break up the school book monopoly which had exacted high prices for inferior books;

(c) To modify the examination system with a view to improving the work done in the schools;

(d) To place the Provincial University on a prosperous basis;

(e) To secure to the teachers higher salaries and better training, and a right to be heard on educational subjects.

An inquiry into the condition of the rural public schools revealed a serious condition. It was found that owing to insufficient financial support, the displacement of population, the low salaries paid and the extreme youth of many of the teachers, heroic measures were needed to improve matters. It was resolved to begin at once the task of providing a supply of more efficiently trained teachers for the schools, and to ensure them better remuneration. An act was accordingly passed in 1906—with the support of both sides of the House—providing that a minimum salary standard should be applied in all rural school sections, and that the efficiency of the schools should be stimulated by an increase in the local and legislative grants. As the provincial revenues were stationary, this was, at the time, the only practicable course. The present Opposition leader, Hon. A. G. MacKay, supported this law, and suggested the clause imposing a penalty on the trustees for breaking it. As, however, by 1907 the financial prospects of the Province had improved, aided by the business-like methods introduced into all the public departments, a bold step was resolved upon.

The legislative grant to rural schools was increased from \$120,000 in 1905 to \$380,000 in 1907. This was an increase of \$260,000 in the amount paid to rural schools all over the Province. The total grant was distributed with a view to ensuring a maximum of good results throughout the system. Dr. Pyne announced the abandonment of the old plan of paying on the basis of average attendance (whereby a premium was put on inequality of distribution) and substituted for it a basis designed to stimulate local effort, so as to secure the following results:

1. Higher salaries to teachers.

2. Encouragement to employ teachers with the best grade of certificates.

3. Better equipment for the schools.

4. Healthier accommodations for the pupils.

The basis of distribution was, therefore, arranged in this manner:

First, fixed grants of from \$20 to \$30, in all schools where the assessment falls below \$50,000, the larger grants going to the poorer sections;

Second, 40 per cent. on all salaries up to \$600 in excess of the township grant, beginning at \$150;

Third, a grant of \$20 to each school employing a teacher with a first or second class certificate.

Fourth, a grant upon the school equipment in proportion as it is brought up to modern requirements.

Fifth, a grant on school accommodations so graded according to their suitability that inducements are offered to improve the health and comfort of the pupils.

This system has been a year in operation. It has worked well. The reports from the local inspectors show that the schools throughout the province have been much improved already, and that the teachers are receiving higher salaries. The trustees are exhibiting prudence and enterprise in expending the larger sums placed at their disposal by the Government. The increased moneys paid to rural schools, comparing 1904 (the last year of the old regime) with 1907, are shown in the following table, by counties:

County	1904	1907	Increase grant
Brant.....	\$1,571	\$5,433	\$3,862
Bruce.....	4,446	12,617	8,171
Carleton.....	3,407	6,530	3,123
Dufferin.....	1,853	5,443	3,590
Elgin.....	2,895	8,786	5,891
Essex.....	3,998	9,751	5,753
Frontenac.....	2,463	10,220	7,757
Grey.....	5,834	14,822	8,988
Haldimand.....	1,780	4,688	2,908
Haliburton.....	728	4,825	4,097
Halton.....	1,406	4,261	2,855
Hastings.....	4,046	13,549	9,503
Huron.....	5,038	14,317	9,279
Kent.....	4,015	11,322	7,307
Lambton.....	3,983	10,926	6,943
Lanark.....	2,276	6,395	4,119
Leeds and Grenville.....	4,000	10,628	6,628
Lennox and Addington.....	2,130	6,760	4,630
Lincoln.....	1,487	4,356	2,869
Middlesex.....	5,015	16,266	11,251
Norfolk.....	2,490	5,875	3,385
Northumberland and Durham...	4,772	13,915	9,143
Ontario.....	3,316	9,374	6,058
Oxford.....	3,377	11,365	7,988
Peel.....	1,868	5,832	3,964
Perth.....	3,434	11,204	7,770
Peterborough.....	2,246	7,455	5,209
Prescott and Russell.....	3,965	12,220	8,255
Prince Edward.....	1,517	3,795	2,278
Renfrew.....	4,168	8,041	3,873
Simcoe.....	5,990	14,321	8,331
Stormont, Dundas and Glengarry	5,949	12,050	6,101
Victoria.....	2,375	8,780	6,405
Waterloo.....	2,679	8,893	6,214
Welland.....	1,881	4,779	2,898
Wellington.....	3,690	11,835	8,145
Wentworth.....	2,702	7,509	4,807
York.....	4,960	17,020	12,060

\$123,750 \$358,175 \$234,425

The grant to urban schools was increased for 1908 from \$120,000 to \$180,000. The basis of distribution will recognize the grade of the teacher's certificate and the length of his or her successful certificate. The less wealthy municipalities will receive more money proportionately than the wealthier cities and towns.

The grants to high schools are also on a more generous scale. Formerly the amounts voted were insufficient to pay the grants earned by these institutions. The following table illustrates this:

	Earned	Paid
1902.....	\$113,400	\$102,000
1903.....	117,413	106,714
1904.....	119,025	106,933

The present Government has remedied this injustice. Since its advent to power the amounts voted for High Schools and Collegiate Institutes have been as follows:

1905.....	\$110,000
1906.....	115,000
1907.....	128,500
1908.....	134,000

The State University Generously Aided

The Provincial University, the property of the people, was inefficiently administered and insufficiently supported under the late Government. Mr. Whitney and his colleagues when in Opposition, promised adequate financial support and a non-partisan control. These promises were fully carried out by the Act of 1906. As the result of a Commission of inquiry the revenue was increased from \$143,715 in 1904 to \$342,683 in 1907 and the machinery of government simplified. The management was handed over to a Board of Governors composed of Reformers and Conservatives alike and chosen without reference to party politics. The accounts are laid in detail before the Legislature at each session and the authority of the State is fully provided for by the system of appointing the Governors. The Government, of which Mr. McKay was a member, made grants before the Legislature or the public knew of them.

The place of Queen's University in the educational systems was recognized by a grant of \$9,000 to aid in the establishment of a faculty of education for the training of first class teachers.

Improved Training for Teachers

The Normal School system has been re-organized and the programme of studies now includes both academic and professional training. Four new Normal Schools have been provided—at Hamilton, Stratford, Peterborough and North Bay. The instructions, in future, will raise the qualifications of the teachers so as to ensure their ability to impart a training of practical benefit to the pupils.

A complete reform in Model School training is being effected. The Government will assume the financial support and control of the professional training in the Model Schools, which will be retained in such localities only as require teachers with third class certificates. These third class certificates of higher grade than the present district certificates will replace the district certificates now in vogue and these, as well as all other certificates, will be issued by the Minister of Education who will thus control and supervise the professional standing of all teachers in the province.

The fee of \$5 in the Model Schools and the fee of \$10 in the Normal Schools have been abolished, thus providing free tuition in professional training.

The training of first class teachers and high school assistants is now conducted in the Faculty of Education in the Provincial University and in the similar Faculty at Queen's.

Diminishing the Examination Pressure

It is by no means intended to abolish examinations, but in order to diminish the pressure of examinations on those who enter the professional schools the Minister of Education has instituted a wise reform. In future the examination of candidates for admission to Model and Normal Schools and the departmental examinations for admission to the Faculties of Education will be conducted for the sole purpose of determining the qualifications of candidates for teachers' certificates and no inducement will be held out to others to take them. A system of "Approved Schools" has also been put into operation. Pupils from these schools only (their work having been approved after careful investigation by Departmental Inspectors and certified to by the staffs concerned) will be admitted to the training institutions without examinations in writing, spelling, arithmetic, English grammar, and geography. The immediate effect will be to remove or to relieve the examination stress in the earlier years of the pupil's course, to make the personality of the teacher a more potent factor in the training of the children; and after a time with the sympathetic co-operation of intelligent teachers and school boards to educate fewer children for clerical and professional pursuits, where there is not room for them, and more for industrial and business life, where there are always openings for them.

Continuation Classes

The Continuation Class grants have been increased as follows:

1904.....	\$18,230
1905.....	21,210
1906.....	31,576
1907.....	39,899
1908.....	45,000

In future there are to be Continuation Schools (doing work inclusive of, and in advance of fifth class instruction) and Fifth Classes. Both will be stimulated by grants from Legislative and local sources. The Continuation Schools, now exceeding 100 in number, will really become Township High Schools and in due course there should be at least one in every township. The Fifth Classes, at present numbering over 300, should multiply rapidly, under the new system, and will be so organized and encouraged as to place inducements before the pupils of all elementary schools to remain at their studies longer than they now do.

Taking the Advice of Experts

The Advisory Council to the Minister of Education, constituted by the Act of 1906, includes representatives of the Public School, Separate School and High School teachers, the Inspectors, the Trustees and the Universities. The Council has held many meetings and given valuable advice to the Minister.

Larger Grants for the Municipalities

**More for Education ; More for Roads ; More from the
License Revenue ; A Share of the Railway Taxes**

**Nearly Two Million Dollars Voted to Reduce Direct
Municipal Taxation**

The policy of the Whitney Government on the subject of the relations of the Province to the municipalities is the reverse of that of its predecessors. The late Government took from the municipalities in order to swell the provincial revenue. The Whitney Government gives to the municipalities in order to reduce their taxation, and to make the burden carried by the people light.

A Share of the Railway Taxes

The plan of the Ross Government for the collecting of taxes from the railways turned all the revenue into the provincial treasury. Under the Whitney Government it was recognized that the municipalities should receive consideration, and therefore half of the railway taxes, after the cost of collection was paid, was allotted to the Province and half to the municipal treasuries.

For two years this plan has been in operation. Under it the municipalities have received the following sums:

1904—Ross Government.....	Nothing
1906—Whitney Government.....	\$80,820
1907—Whitney Government.....	81,547
Total.....	<hr/> \$162,368

The amounts that have been received by each county are the following:

COUNTY OR DISTRICT	1904	1906	1907
Algoma.....		\$1,494.58	\$1,558.24
Brant.....		1,607.80	1,397.00
Bruce.....	NO	2,369.10	2,579.80
Carleton.....		3,273.01	3,253.12
Dufferin.....		1,081.08	1,016.68
Dundas.....		819.76	868.86
Elgin.....		1,896.78	1,796.48
Essex.....		3,178.18	2,875.58
Frontenac.....		1,397.14	1,387.32
Glengarry.....	DISTRIBUTION	690.98	753.68
Grey.....		2,740.40	2,755.10
Haldimand.....		1,003.34	1,065.64
Haliburton.....		299.00	276.82
Halton.....		464.50	645.10
Hastings.....		2,434.18	2,315.08
Huron.....		2,452.70	2,546.90
Kent.....	TO	2,357.66	2,655.76
Lambton.....		2,256.46	2,253.46
Lanark.....		1,811.96	1,571.66
Leeds and Grenville.....		2,568.28	2,655.98
Lennox and Addington....		816.88	795.68
Lincoln.....		1,380.06	1,166.66
Manitoulin.....		632.52	667.02
Middlesex.....	MUNICIPALITIES	2,596.16	3,082.86
Muskoka.....		938.30	937.84
Nipissing.....		1,423.12	1,253.92
Norfolk.....		990.16	874.46
Northumberland & Durham		1,891.22	2,022.72
Ontario.....		1,447.24	1,463.64
Oxford.....		2,041.62	2,016.32
Parry Sound.....	PREVIOUS	934.04	1,029.94
Peel.....		756.40	968.90
Perth.....		1,841.58	2,083.58
Peterboro.....		1,296.18	1,307.58
Prescott and Russell.....		2,142.66	2,164.06
Prince Edward.....		759.72	845.12
Rainy River.....		698.42	706.62
Renfrew.....	TO	2,607.90	2,575.60
Simcoe.....		2,414.50	2,649.30
Stormont.....		622.26	761.56
Thunder Bay.....		313.40	363.50
Victoria.....		831.66	999.16
Waterloo.....		1,694.02	2,036.92
Welland.....		1,068.74	1,218.44
Wellington.....	1906	1,486.28	1,897.48
Wentworth.....		1,702.26	1,726.96
York.....		9,296.64	7,703.44
		\$80,820.83	\$81,547.54

More from Licenses

Under the old plan for the distribution of the license fees between the Government and the municipalities, the Government received the lion's share, and the municipal revenue was subject to decrease.

The Whitney Government determined to divide the license money between the Province and the municipalities, each to have half. The result is a great increase in the municipal receipts from this source. The following comparison for two years shows how the situation has changed:

Paid to municipalities—

In 1907—Whitney Government..... \$389,579

In 1904—Ross Government..... 228,784

Increase under Mr. Whitney..... \$160,795

It is of interest to know to what extent each county benefited. Here is a statement of the payments for each of the two years:

	1904	1907
Brant.....	\$3,145.18	\$5,805.72
Bruce.....	5,829.04	5,846.88
Carleton.....	15,683.89	35,025.15
Dufferin.....	1,200.01	1,872.33
Elgin.....	5,007.34	6,240.60
Essex.....	8,121.67	13,387.97
Frontenac.....	6,835.00	9,815.34
Grey.....	4,352.80	2,667.82
Haldimand.....	1,546.00	2,812.40
Haliburton.....	165.68	180.00
Halton.....	1,257.80	1,382.13
Hastings.....	6,886.52	8,564.97
Huron.....	4,682.98	7,275.84
Kent.....	6,389.29	6,108.81
Lambton.....	6,978.47	6,042.33
Lanark.....	6,124.28	5,514.37
Leeds and Grenville.....	8,244.86	7,415.45
Lennox and Addington.....	1,915.01	2,358.58
Lincoln.....	3,394.68	6,051.77
Middlesex.....	5,479.04	13,927.02
Manitoulin.....	833.35	831.45
Muskoka.....	1,372.50	2,103.40
Norfolk.....	1,313.00	2,069.52
Northumberland and Durham.....	6,658.36	5,847.11
Ontario.....	3,344.87	3,465.77
Oxford.....	5,365.88	4,909.85
Peel.....	1,600.32	1,525.50
Perth.....	5,376.14	7,897.75
Peterborough.....	5,480.00	5,931.73
Prescott and Russell.....	4,076.05	6,373.94
Prince Edward.....	1,323.35	1,160.25
Renfrew.....	5,006.70	7,507.65
Simcoe.....	8,527.49	10,492.62
Stormont, Dundas and Glengarry.....	7,808.54	5,919.04
Toronto.....	32,556.67	110,000.00
Victoria.....	2,612.01	2,861.82
Waterloo.....	6,705.03	10,386.68
Welland.....	4,303.38	9,100.95
Wellington.....	5,893.70	7,900.72
Wentworth.....	11,121.99	31,145.75
York.....	4,265.15	3,854.44
	<u>\$228,784.02</u>	<u>\$389,579.42</u>
Increase.....		\$160,795.40

In counties which show a decrease in the amount received under the new Act, it is generally caused by the passing of local option by-laws, owing to which there were 340 less licenses issued in 1906-7 compared to 1904-5.

More for Education

The policy of the Whitney Government is to make the schools of the people more efficient, and that without requiring the people to tax themselves heavily. Increases have therefore been made in the grants to the municipalities for school purposes. The additions to the school grants are as follows:

	1904	1907
Schools in Counties.....	\$123,750	\$358,175
District Schools.....	47,902	83,807
High Schools.....	106,933	134,000
Continuation Classes.....	18,230	39,899
	<hr/> \$286,815	<hr/> \$615,881
		286,815
Total increase.....		<hr/> \$329,066

The increased school grant to each county will be found in the article on the subject of education.

More for Roads

For trunk roads the late Government gave assistance, but limited its total outlay for this purpose to a million dollars. The present Government determined to give assistance to the people to build and improve roads without putting any limit on the amount to be granted. For trunk roads any county can get from the Whitney Government one-third of the amount it spends. The payments for roads have been increased thus:

1904—Ross Government.....	\$ 97,031
1907—Whitney Government.....	115,969

The counties which participated in the grants in 1907 were the following:

	Total Expenditure	Government Grant
Prince Edward.....	\$ 2,809.39	\$ 936.46
Perth.....	37,093.02	12,364.34
Frontenac.....	22,570.82	7,523.61
Lennox and Addington.....	20,586.63	6,862.21
Middlesex.....	23,097.55	7,699.18
Peel.....	28,215.83	9,405.28
Lincoln.....	12,399.09	4,133.03
Oxford.....	78,865.84	26,288.61
Wellington.....	18,956.42	6,318.80
Hastings.....	18,348.96	6,116.32
Lanark.....	15,547.44	5,182.48
Wentworth.....	30,495.29	10,165.10
Simcoe.....	38,922.21	12,974.07
Totals.....	<hr/> \$347,908.49	<hr/> \$115,969.49

More for Colonization Roads

The building of colonization roads began long before Confederation. The late Government continued the policy. The present Government extended it, and has made the expenditures for the giving of accommodation to the settler and for the opening up and development of new territory more liberal than ever before.

The colonization road grants for 1907 compared with those for 1904 stand thus:

1907 (Whitney Government).....	\$335,155.76
1904 (Ross Government).....	166,065.01
Increase.....	\$169,135.75

The vote for 1908 is \$488,000, or three times the expenditure of 1904. In the following table the increases are shown. There is a drop in two or three places; but in another year this may be more than balanced by increased outlays at these points:

Constituency	1904	1907	Increase
Algoma.....	\$7,272.72	\$33,050.52	\$25,777.80
Addington.....	2,158.24	5,028.22	3,869.98
Bruce.....	430.09	371.34	58.75
Fort William and Lake of the Woods.....	9,344.57	7,566.22	.....
Carleton.....	.....	300.00	300.00
Frontenac.....	1,620.82	3,005.83	1,385.01
Hastings.....	2,121.98	8,541.86	6,419.88
Lanark.....	1,233.61	3,825.62	2,592.01
Lennox.....	.....	492.19	492.19
Leeds.....	110.11	2,308.57	2,198.46
Muskoka.....	3,045.59	7,559.19	4,503.60
Manitoulin.....	3,135.32	16,893.80	13,758.48
Nipissing East.....	10,265.63	12,369.51	2,103.88
Nipissing West.....	15,071.96	28,949.70	13,877.74
Ontario.....	900.05	1,660.05	760.00
Parry Sound.....	12,233.68	20,596.69	8,363.01
Peterboro East.....	2,646.20	2,926.63	280.43
Peterboro West.....	4,243.87	3,366.97	.....
Port Arthur and Rainy River.....	28,250.39	32,366.84	4,116.45
Renfrew North.....	3,731.59	11,735.20	8,003.61
Renfrew South.....	6,398.38	9,419.01	3,020.63
Sault Ste. Marie.....	8,110.21	6,260.33	.....
Simcoe.....	1,849.55	2,997.77	1,148.22
Temiskaming.....	38,277.43	69,020.41	30,743.98
Victoria East.....	2,587.02	8,410.41	5,823.39
Victoria West.....	1,026.00	2,111.51	1,085.51
Larder Lake and Abitibi Dist..	.....	34,021.37	34,021.37

More for Hospitals and Charities

The grants to the municipalities for hospitals have been increased. The grants to hospitals per patient was formerly 17 cents per head; the Whitney Government has made it 20 cents per head.

The Whitney Government has added to the list of institutions entitled to receive aid from the provincial treasury, sanatoria for consumptives.

A comparison of the grants in 1904 and 1907 makes the following showing:

	1904	1907
Hospitals and Charities.....	\$235,966	\$319,138
Sanitoria.....	Nothing	66,575
		<hr/>
		\$385,713
		235,966
		<hr/>
Increase.....		\$149,747

What the People Get Back

The grants which aid the people in building roads, in supporting their schools, in providing for the sick and the poor, and in reducing municipal taxation, have been increased thus since the Whitney Government took office:

	1904	1907
From Railway taxes.....	Nothing	\$81,547
From license fees.....	\$228,784	389,579
For the schools.....	286,815	615,881
For roads.....	97,031	115,969
For colonization roads.....	166,532	335,155
For hospitals and charities.....	235,966	385,713
	<hr/>	<hr/>
Total grants.....	\$1,015,128	\$1,923,824
		1,015,128
		<hr/>
		\$908,696

The Whitney Government has returned to the people \$908,000 more per annum than the late Government did.

GREATER ONTARIO

Results of the Practical Administration of the Assets of the Province by the Whitney Government

A RECORD TO BE PROUD OF

Seldom has the wisdom of the policy of a public man been so strikingly demonstrated as has Premier Whitney's selection of a practical New Ontario business man as the head of the great revenue producing department of Lands, Forests and Mines.

Mr. Cochrane's administration of his department has been characterized by unselfishly hard work, which has resulted in a gradual but sweeping change of policy, which has been felt in every corner of New, or as he prefers to call it, Greater Ontario.

Things move now in the Department of Lands, Forests and Mines where once they stagnated. The resources of the Province have been safeguarded where once they were squandered with reckless prodigality. Capital and industry are fostered and encouraged, but the would-be speculator in the public domain has had scant consideration. There are no more glaring concessions to favorites. The settler has at last come into his own, the miner is assured of a square deal, and confidence has been restored.

The Gillies Limit Retained for the People

A triumph for honest government and public spirited policy is seen in the retention of the valuable mining area known as the Gillies Limit for the people of Ontario.

That the Gillies Limit has not been thrown open has not been for lack of importunity, and many and various have been the inquiries and suggestions of individuals and syndicate representatives. The invariable reply has been made that it was not the present intention of the Government to dispose of the limit, or any portion thereof, and that in any event no private offer could be considered—which likewise is a change from the old established method of disposing of Ontario Government concessions.

Revenue from the Government Mine

The Government has for some time been developing one mine on the Gillies Limit which has lately entered the ranks of the shippers, and an item of \$100,000 appears in the estimated revenue of the Province for the current year from that source.

Mining Revenue by Taxation

In the matter of mining taxation, the Government has not been deterred by motives of policy from what it has considered to be its plain duty, and a small acreage tax has been imposed on mining lands, and a tax of three per cent. on the profits of mining companies in excess of \$10,000. One-third of this latter tax goes to the various municipalities, but at Cobalt a special arrangement has been made whereby the town gets one-half of the tax accruing within its borders for a period of ten years. The object of this is to help the town to provide water and sewerage systems. The taxes that accrued under the Supplementary Revenue Act for 1907 amounted to \$84,196.94, much of which came in too late to figure in the treasurer's financial statement. The tax on profits brought \$65,155.38; tax on gas, \$13,313.68; acreage tax, \$5,727.88.

Large Sums From Sales of Mining Rights

The Government developed the policy of selling mining lands and lands under water reserved in rich areas by public tender, and the Province has gained considerably thereby.

The sale of Cobalt Lake netted \$1,085,000; Kerr Lake, \$178,500 and a 10 per cent. royalty, and the various right of way and Cobalt town site locations, administered by the T. & N. O. Railway Commission, also brought into the Treasury of the Province during 1906 and 1907, \$204,642.46 in bonuses and royalties. Under the last head the Province received \$230,272 as a result of an arrangement made with the proprietors of the O'Brien Mine. This property, it was alleged, was obtained from the old Government by misrepresentation, and the present administration felt it their duty to bring an action to recover it on behalf of the Province, but owing to difficulties encountered in bringing the matter home to the offenders, a compromise was agreed upon by which the Province gets 25 per cent. of the value of the ore produced, less certain expenses.

What Might Have Been

It is such items as these that emphasize the delinquency of the late Government in not exacting a general royalty in the fall of 1903, when silver was first found at Cobalt, and when the land on each side of the railway, which had been set apart to pay for the building of the railway, was withdrawn from sale or location. The deputy Minister suggested in his report, in reference to the withdrawal, that:

"If the search should be rewarded by finding other deposits they might be offered for sale to the highest bidder, subject to such conditions as might be imposed, or, if as rich as those already discovered, might be worked by the Government. A few such finds as those already made (provided always they prove of fair extent) might be made to yield money enough to materially assist in building the railway."

The Provincial Geologist also made a strikingly accurate report of the richness and probable extent of the deposits, but, notwithstanding that, and the other fact that the chief officer of the Mines Branch pointed the way to a more advanced policy, the late Government again opened this territory and very many rich locations passed into private hands at a nominal charge of \$3 an acre only.

When the Officials Went In

It is only fair to contrast the action of the Board of Commissioners and officers of the T. & N. O. Railway of that date with that of the present Board, whose business methods in disposing of the odds and ends of mining rights remaining in the Crown have resulted in such large bonuses and royalties. The old Board and officials regarded the mining discoveries as a sort of special providence, and instead of helping to map out a policy which might have meant much to the provincial exchequer, they hurried out, a number of them, and staked out mining locations themselves. And not a word of criticism of this action on the part of public officials has appeared in the Liberal press!

What would be thought if to-day the present Government threw open the Gillies Limit to prospecting and staking, and the officials and the members of the present railway commission went up and staked out some of the most desirable locations!

Development of the Mining Regions

There has been progressive activity to a marked degree shown in the managing of the mining resources of the Province during the three years of the Whitney administration. In 1905 the Bureau of Mines placed in the hands of prospectors an accurate map of the geology and topography of the Cobalt district, with practical hints as to prospecting, etc., and a comprehensive printed report on the area, all of great value to the prospector, the miner and the investor. Quite recently a large map has been made giving the geology, the contours, the various mines, the veins, portages, trails, roads, etc., which will be a permanent record for the whole camp.

A short time ago the Department issued a geological map of the Montreal River mining district, and a report to accompany the map will shortly be issued. Good discoveries of cobalt and silver have been made in territory south of Lorrain, and the geology will be examined there as soon as the snow goes off, and a map and report will no doubt follow in due course.

A special report and geological map of the Larder Lake mining area have also been published, which place accurate information at the disposal of the mining and investing public. The country lying along the boundary line between Algoma and Thunder Bay has been explored, and a report of that region will shortly be published. The iron formations lying east of Lake Nepigon have been and are still being explored by the Bureau's geologist.

Other Features of Progressive Administration

New regulations have been framed to protect the public interests in relation to water powers. The actual control is exercised through the medium of the Hydro-Electric Commission, and care is taken to prevent over-charge of the consumer. It is stipulated also that the lessees of power from the Crown shall supply to others power not required in their own business.

Some leases granted under the late regime for purposes of exploitation have been cancelled. Now, the applicant must have a definite scheme to develop power, and must proceed with development within a limited time.

A number of valuable water powers have been reserved by the Crown in districts where they are likely to be required in connection with pulp concessions or future industrial centres.

In order to insure more revenue from the cutting of railway ties the rates to licensees have been increased.

The Government has lifted the tan bark embargo, enabling the producers to find a market for the output not purchased by the tanners' association.

The area of the Algonquin Park has been increased from 1,750 square miles to 1,930 square miles.

A Wise Forestry Policy

Ontario has now 16,300 square miles of forest reserve, an increase of 7,300 since the Whitney Government came into office. These areas are now much more carefully guarded from fire. The increased cost of protection is money well invested. The cost of fire ranging along railway lines is now borne by the railways.

New methods of re-afforestation are being adopted. Care is being taken to set apart land not adapted for agricultural settlement for timber growing. The direction of settlement is being controlled so that compactly settled townships may result instead of, as in the past, allowing settlers to go into areas which are abandoned as soon as the timber is cut.

The Government has under consideration also the question of acquiring tracts of sandy soil in different parts of older Ontario for purposes of re-afforestation, and have taken a vote for this purpose. As they stand, they are wind-swept, and of little value. With tree growth, such land will take its proper place in the economy of nature, and where such territory covers a watershed, the result will be most beneficial to the rivers and streams.

The Government, through the Forestry Department of the Ontario Agricultural College, is also helping the farmers of Ontario—many of whom have reason to regret the disappearance of timber from their lands—to replant their wood lots, and is supplying seedling trees and cuttings free of charge that will in time make plantations of waste lands and steep hillsides.

Better Treatment for the Settler

For inequality of treatment of the settler in different districts in respect to the length of time in which he could get the patent of his land, the Government has substituted a uniform period of three years to qualify for patent.

The hard worked pioneer in agricultural districts is now entitled to any minerals found on his property.

The settler now gets the pine with his patent, unless it has already been disposed of.

It is the policy of the Government to keep the middlemen out wherever possible, and for this reason it proposes to locate, control and dispose of, the town sites along the Trans-Continental Railway when the proper time comes. These lands being in the Crown, the Government is fortunately in a position to control the situation.

Comparing the Old with the New

A striking comparison between the former method of administration and the present is presented by the increase of revenues. In 1904, under the Ross Government, 102,866 acres of land were sold or leased, yielding the sum of \$79,634. In 1907, 102,657 acres were sold and leased, yielding no less a sum than \$1,362,646!

Illuminating also are the mining figures:

	1904	1907
Collections.....	\$15,109.30	\$1,184,719.06
Mining leases.....	28,597.46	21,563.16
Mining licenses.....	1,597.15	137,768.40
Miscellaneous.....	780.00	1,642.96
Recording fees.....		134,628.73
Royalties.....		207,945.06
Supplementary revenue.....		43,453.35
	<u>\$46,083.91</u>	<u>\$1,731,720.72</u>

NINE DOLLAR POWER SECURED FOR ONTARIO

NIAGARA CONTROLLED FOR THE PUBLIC BY THE GOVERNMENT

STORY OF THE HYDRO-ELECTRIC POWER COMMISSION

For years the people of Ontario, within reach of Niagara, have been urging that the great source of white coal at our doors should be placed cheaply at their disposal. It was pointed out that of the two million people in Ontario, at least 1,600,000 could thus be advantageously served with power and light.

Municipalities Sound the Alarm

As far back as 1900, the Toronto Board of Trade advanced the doctrine of public control of Niagara Power. Two years later, in 1902, representatives of the municipalities met at Berlin and formed an organization, which, in 1903, recommended the establishment of a Government Commission, the erection of transmission lines by the Government, and declared that no more power privileges should be given to private parties. Toronto asked permission to develop power, but was refused.

Corporations Grab Power

Up to this time two companies had received concessions to develop power at Niagara aggregating 180,000 horse power. In the face of the representations made jointly on behalf of all the municipalities interested that no further power privileges should be given to private parties, the Government of the day in 1903 gave a concession to three gentlemen—Messrs. Pellatt & Co.—to develop additional 125,000 horse power and at the same time made it a part of the bargain that the Province of Ontario would not develop power itself at the Falls. These gentlemen disposed of their concession to the Electrical Development Company.

Useless Power Bill of 1903

Owing to pressure from the municipalities the Government promised to bring in a Bill which would authorize them to act for themselves in acquiring and distributing power. Accordingly a Bill was introduced and passed in 1903, and is known to fame as the Bogus Power Bill. It provided for joint action by the Municipalities in acquiring and distributing power, but it gave them no means of acquiring power plants by expropriation or otherwise, as the clauses of the Connée Act continued in force, compelling municipalities to take over existing and in part obsolete plants, and tied the whole matter up so that unless the

municipalities were mutually agreed, nothing could be done. That is to say, if ten municipalities undertook to develop power, and one took exception or met with a financial obstacle, the whole thing would collapse, as it did.

Still Another Concession

While the municipalities were struggling to utilize this legislation, and on the eve of the election of 1905, the Ross Government made another concession to the Power Company it had created a couple of years before. It conceded a further block of power amounting to 125,000 horse power. In all 430,000 horse power had been transferred to companies.

When Mr. Whitney Took Hold

This was the situation which confronted the Whitney Government when it was called to office. It then became its duty to consider, first, whether it would ratify the concession of 125,000 horse power made on the eve of the election, and, second, what steps it should take to enable the municipalities to secure power at a minimum cost.

Whitney Government Cancelled Concession

The Government decided, without any delay, that the concession of the block of 125,000 horse power could not be ratified by the Legislature, and it restored to the people, in this respect, what had been given away by its predecessors. In doing this, it was attacked by the Leader of the Opposition, who contended that it was a breach of faith and that the arrangement made before the dissolution ought to hold good.

First Hydro-Electric Power Commission

The next step taken was to appoint a Commission to enquire into the whole situation and report to the Government what means should be used to carry out its policy. The first Hydro-Electric Commission, of which Hon. Adam Beck was chairman, employed experts and furnished detailed reports on the water powers of the Province, covering the whole length and breadth of Ontario. These reports contained estimates of the power available and the cost of transmission and distribution and were used in the following order:

1. Niagara District.
2. Trent District.
3. Lake Huron and Georgian Bay District.
4. Ottawa Valley and St. Lawrence District.
5. Algoma, Thunder Bay and Rainy River Districts.

Estimated Cost of Power

Estimates were made by the Commission of the cost of power taken from Niagara Falls and delivered at various municipalities within economic reach of the Falls. These were based upon the price per annum at the Falls of \$12 per horse power per annum.

Estimate Declared Too Low

Immediately it was contended by those interested in the Electrical Companies that \$12 per horse power was too low a figure to estimate securing power at Niagara Falls. "The Canadian Engineer," July, 1906, declared the figure "astoundingly fallacious" and that it was "based

upon a gratuitous, unproved, empirical assumption." It added "there is not a scrap of evidence before the public so far, to prove that colossal experimental installations like the three on the Canadian side at Niagara Falls, can sell high tension electrical energy at the generating station bus-bars at \$12 per 24 hours horse power."

Engineers wrote and declared that the \$12 figure was an impossibility.

Permanent Hydro-Electric Commission Created

The next step of the Government was to establish the permanent Hydro-Electric Commission now composed of Hon. Adam Beck, Hon. J. S. Hendrie and Mr. W. K. McNaught, M.P., having full powers to expropriate, if necessary, i.e., if the companies would not sell power at a reasonable price; having power to build transmission lines, the cost of which would be met by the sale of power; and also having authority to make contracts with the municipalities and with Electric Companies and to deliver power wherever required. This Measure was denounced by the Opposition as an attempt at the confiscation of the property of the Power Companies, and particularly of British bondholders. The Hydro-Electric Commission having two members of the Cabinet is, and was intended to be practically a committee of the Government acting under the direct control of the Executive Council.

Ratepayers Consulted and Approve

The Act required that before any municipality should begin negotiations with the Hydro-Electric Commission, permission should be asked from the ratepayers of that municipality. This permission was sought in many municipalities in January, 1907. A vigorous campaign was put up against the Power by-laws all that year, mainly on the ground that the estimates of the Commission were misleading and that power could not be delivered at the figures quoted. These by-laws were carried by enormous majorities.

Power Offered at \$12 per Annum

The Commission then proceeded to call for tenders from the various Power Companies. Three Companies at Niagara Falls were in a position to tender. In response to the call two Companies tendered. The Ontario Power Company offered power at \$12 per horse power per annum at high tension. The Canadian Niagara Power Company offered power at \$12 per annum at low tension. The Ontario Power Company's offer was the better of the two.

Contract Made for \$10 Power

In the opinion of the Hydro-Electric Commission, however, the figure offered was too high. The Commission believed that by reopening the question a better figure could be obtained for the public. This was done. The result was that the Ontario Power Company tendered to supply power at \$10.40 per horse power up to 25,000 horse power; if more is taken, \$10 for the whole. The Electrical Development Company tendered to supply power at \$12 per horse power up to 25,000 horse power and \$10 over that quantity. The Commission considered that the Ontario Power Company's offer was a very long way the better one of the two, and accepted it. |

Power Finally Secured at \$9

Subsequently it was discovered that the power could be more advantageously handled at a very high voltage which would both reduce the cost and extend the area that could be reached. Negotiations took place and a supplementary contract was made whereby the Ontario Power Company agreed to furnish power for \$9.40 per horse power up to 25,000 horse power and \$9 for the whole if more than that quantity is taken.

Figures Now Attacked as Too High

Under the Act it was necessary for the municipalities to submit to the ratepayers by-laws enabling them to issue debentures to distribute the power. This was done in many instances in January, 1908. On this occasion a different form of attack was assumed. The contention now was that the figures obtained by the Commission were too high. The "Toronto Globe" declared power was being sold by the Electrical Development Company in Toronto to the Toronto Electric Light Company at \$8.75 per annum. It declared \$10 a ruinously high price and denounced the proposal as a gold brick.

Mr. MacKay Proposes Gas Machines

At the same time another form of opposition was led by the Hon. Mr. MacKay, Leader of the Opposition. Mr. MacKay contended in very many speeches that the proper way of getting cheap power was through the use of gas engines. A series of inspired articles appeared in the "Globe" advocating the use of these engines in preference to power derived from Niagara Falls. But the by-laws were carried by still greater majorities in 1908.

Proposed Division of Business Rejected

Another phase of the question now developed. The shareholders of the Electrical Development Company became uneasy. They represented to the Government that the granting of the contract to the Ontario Power Company would injuriously affect their business, and asked that something be done for their relief. The result was that the Commission negotiated with the Ontario Power Company, with a view to dividing the territory between the two Companies. It was proposed that a line be drawn from Hamilton to Owen Sound, and that all west of that line be supplied by the Ontario Power Company at the rate offered by them, and all east of that line by the Electrical Development Company at the same figure. This was agreed to by the Ontario Power Company. The Electrical Development Company, however, refused to agree to the conditions accepted by the Ontario Power Company, and this effort therefore failed.

A Scheme That Failed

The next step taken on behalf of the bondholders of the Electrical Development Company was an attempt to draw the Government into negotiation with the Company, with a view to purchasing its entire interests and carrying on the undertaking at an outlay of twenty millions of dollars. This idea, informally advanced, was not entertained for the following reasons:

First, because the Province had already made a very satisfactory contract for power with the Ontario Power Company and it could not repudiate that contract, both in its own interests and as a matter of business faith.

Second, because the proposal required the Province to assume the following obligations:

Bonds.....	\$8,000,000
Common stock.....	6,000,000
Floating debt.....	2,000,000
To complete transmission lines.....	4,000,000
	<hr/>
	\$20,000,000

Third, because power obtained under these circumstances by the Province would be dearer than the price agreed upon with the Ontario Power Company. An investment of twenty millions of dollars would call for in interest and sinking fund an annual payment of one million of dollars. If the Province sold 100,000 horse power, the fixed annual charge would entail an initial price of \$10 per horse power without considering the cost of operation.

Fourth, because in every contract made by the late Government with Power Companies it was solemnly agreed that the Province would not operate electric power unless one of the Companies, through failure to carry out its part of the bargain, forfeited its rights. The Electric Development Company did not fail, and the Government was therefore bound by every agreement already made, from stepping in, buying out the Company and operating it. Such a proceeding would not only be a violation of contracts made by former Governments, but would render the credit of the Province liable to attacks, and also to claims for enormous damages.

Mr. MacKay's Position

For months Mr. MacKay had been contending that Ontario ought not to assume any financial responsibility to advance this movement. At Hamilton he said (November 2nd, 1907, Globe report): "We are not willing that any Provincial money should be used for the building of transmission lines or any permanent work that goes to benefit a particular locality." In the same speech he declared that he took this position because "two-thirds of the Province would not benefit" from the power policy.

A Sudden Change

No sooner was it clear that the Government would not take over this enormous burden of \$20,000,000 than the Opposition declared that a terrible wrong had been done the Province through this action, and that consequently the electric policy had failed. Mr. MacKay ceased immediately to advocate the use of gas machines and to oppose all provincial expenditure on electricity and argued in favor of the purchase of the Electrical Development Company's plant.

A Liberal Opinion on Mr. MacKay's Policy

The "Woodstock Sentinel-Review" (Liberal) said, November 18th, 1907: "Hon. A. G. MacKay may be doing what he considers to be his duty as the leader of a political party, though it is very questionable if his campaign is dictated by either sound business considerations or good politics."

The Work Goes On

Meanwhile, the Government brought forward legislation confirming the contracts whereby electric power is guaranteed to the Province at \$9 per horse power at Niagara Falls.

Municipalities Ordering Power

Negotiations were continued with the municipalities with the result that contracts have been applied for to the extent of 30,500 horse power by the following places:

Toronto	Stratford	Galt	Paris
Hamilton	St. Thomas	West Toronto	Waterloo
London	Woodstock	Hespeler	New Hamburg
Brantford	Ingersoll	St. Mary's	Weston
Guelph	Berlin	Preston	

Transmission Lines Being Surveyed

The arrangement is that these shall receive electric power over transmission lines surveyed by the Commission at the rate of \$9 per horse power at Niagara Falls, if 25,000 horse power is used, plus the proportionate expense of the cost of transmission lines, etc. Other municipalities may come in on an equitable basis at any time. As soon as the contracts are signed by the municipalities the Commission will call for tenders for the erection of the transmission line. And if the cost of the line is such as to bring the price of power within the estimate furnished by the Commission, the work will be proceeded with immediately. Should the cost of power in any case exceed the estimate of the Commission, the contract must be referred back again to the ratepayers for their ratification.

Where the Government Stands

The position of the Government on the matter was thus explained by Mr. Whitney before the Legislature on the 10th of March, 1908. "The Government, while not professing infallibility, is endeavoring to do its best, and proposes to deal with this great power question, which is of such importance, and will be of still greater importance in the future, in such a manner as may be for the benefit of the people of this Province. In the belief that we have the confidence of the people, and that that confidence will be continued, we purpose to go on dealing with this great and wonderful feature of our Province in the interests of the public, and, as I said once before, with our backs to the wall."

AN HONEST ENFORCEMENT OF THE LICENSE LAW

**From a State of Chaos a Condition of
Efficiency Has Been Evolved**

**Helpful Amendments Made in the Licensing
Legislation**

Great Reforms Carefully Devised and Strictly Carried Out

The Conservative Party undertook to give to the Province a proper enforcement of the Liquor law, with a non-partisan administration; and to make such changes from time to time in the law as experience would suggest to improve its administration and to advance the interests of the public.

Conditions Prior to 1905

Every one knows what the conditions were prior to 1905.

At the Liberal Convention in Toronto, on November 25th, 1904, Dr. James Spence of Toronto spoke as follows regarding the situation:— ("Globe", November 20, 1904)—

"I want to state that in the City of Toronto the law has not been administered fairly. What is the condition of affairs here? The condition is Mr. Stratton, who administers this Department. (Uproar and hisses.) The condition of affairs in Toronto is the condition of affairs throughout the length and breadth of Ontario. One condition of affairs in Toronto is that the License Department, the administration of that department is a farce."

The "Globe's" View of the Situation in Toronto

The "Globe" in discussing the situation in Toronto on April 27th, 1905, declared as follows:

"Those who know the situation will agree that there are not more than fifty bona fide hotels in the City. The rest are only make-believes. Even the absurdly low standard of "six rooms" required by law for public accommodation is not maintained. The bar room is the one source of revenue. The bar business is the one concern of the house."

License Commissioners' Views

Col. Davidson, License Commissioner, made the following statement regarding the conditions when he took office in 1905:

"We found an absolutely rascally condition, some of them not fit for hotels, and some of them not fit for a human being to live in in my opinion."

Mr. Reuben Millichamp, License Commissioner, added:

"I do not know how to express adequately the filth and abominable condition in which these hotels were without using very exhaustive language. I do not think that any Commission previous to this Commission could have visited these hotels. I do not think that there could possibly have been any inspection whatever—I should have said proper inspection. I do not think any respectable Chinese would have lived in such a place. The condition was simply horrible."

The Work of Reform

To reform this state of affairs was the policy with which the Government took office. That the work could be done was the opinion of Mr. J. W. Flavelle. Said that gentleman:

"I give unequivocal support to Mr. Whitney in the position he has taken that the remedy applicable to the present situation is a further restriction of licenses and the fearless administration of the law. I believe his position to be honest, sane, and deserving of the support of the people. I am glad to know that we have in public life as a leader of one of the great parties in this Province a man who is not afraid to state his honest convictions without hedging upon an important measure."

Good Enforcement

The enforcement of the law was placed in the hands of Hon. W. J. Hanna, the Provincial Secretary. Of the manner in which the work has been conducted independent testimony is given. The following are some of the opinions expressed in this connection:

Mr. G. F. Marter, ex-M.P.P.—"We desire to give credit to the Government charged with enforcing the law, for having done their work well." February 22, 1907.

Reverend Mr. Houston:—"It can never be again said in Canada that the law could not be enforced by a Government in sympathy with the enforcement of that law."

Mr. Joseph Gibson, President Ontario Alliance:—"You did your duty. You said at the start that you would make the license holders keep hotel, and you did." February 22, 1907.

Dr. C. V. Emory, Dominion Secretary of The Royal Templars of Temperance (March 21, 1906):—"In my opinion, there has been an improvement in the enforcement of the law since the new Government assumed the reins."

The Pioneer (Organ of the Dominion Alliance) January 15th, 1907:—"It will not be contended that there is any great change in public sentiment, and yet we are having better enforcement of the law; and to-day in local option municipalities, the license department is giving such good, thorough enforcement of the law that even where the majority for local option was small originally, the people have unmistakably expressed their satisfaction with it."

The Pioneer, June 21st, 1907:—"We heartily say 'well done' to the chief Officer of the Ontario License Department, for along certain lines the action of the Department has been most commendable. The report of the Department which we review in another column, is the best ever issued, and shows in some respects a more satisfactory condition than ever before existed in this Province."

The Pioneer, September 13th, 1907:—"The vigorous law enforcement policy of the Ontario Provincial Government gives to the public

a convincing illustration of what may be accomplished by the common sense policy of treating liquor laws as other laws are treated."

The Synod of Huron—Report of the Temperance Committee presented by Reverend Dyson Hague, states:—"On the whole the state of temperance in the diocese is improved, and it seems to be a general impression that the license laws are more strenuously enforced than a few years ago."

Improvements in the License Law

One of the initial acts of the Government on taking office was to examine the license law with a view to determining upon the necessary improvements. The result was the Hanna law of 1906, which has brought about the better conditions referred to in the citations made above.

The first principle laid down in this law is thorough regulation of the business, and the second is rigid enforcement of the requirements that have been decided upon. In order that there may be no mistake about the regulations a uniform system has been adopted, and the inspectors, instead of making their own rules, as formerly, have to follow the strict plan devised by the central authorities. This gives uniformity and efficiency.

Why the Law is Observed

While this new principle makes for the observance of the law, the next requirement is even more efficient in that sense.

When the present Government took office the law provided that after three convictions for illegal selling, a license holder should forfeit his license. But the Act was so worded that every offence could be called a first offence, unless the complaint specifically stated that the offence was a second or a third. As a result the law was a dead letter. It did not force the closing of bars at the prescribed hour, or on Sunday, because the penalty for non-observance of the law was wanting.

The Hanna law makes the requirement of the Legislature in this matter a reality. Every offence must be prosecuted as a first, or a second, or a third, as the case may be, and upon the third conviction the license is withdrawn. This has been the foundation of the successful enforcement of the law. With this provision before him the license holder knows that his competitor will have to observe the law, and keep closed at the proper times. He can also refuse the importunities of customers who want him to break the law and imperil his business.

The further provision that technicalities shall not upset convictions that are good on their merits adds strength to the enforcement policy.

Another Restrictive Move

Another regulation making for the observance of the law is the licensing of bartenders in cities and towns. While the licensee is required to do as the law orders, he is not always on hand, and his representative may violate the law. To prevent this the bartender has to take out a license to pursue his occupation, and if he should break the law his license goes, and he can no longer follow that business.

Under this provision the bartender co-operates in the enforcement of the law. He will not willingly break it himself; nor is the license holder likely to ask him to do so.

Higher License Fees

Still another measure making for the thorough observance of the law is the increase in the license fees. These were enlarged, half going to the

municipality, and half to the province, partly for revenue purposes, and partly to enable the public to share in the largely increased value of the license franchise.

But the effect of the increase was to make it more important to the license holder that he should observe the law, and thus save the right to sell for which he has paid, and which, under the strict enforcement of the law, would be taken from him after a third offence.

Other Important Reforms

A very important reform is that which declares what proportion of proof spirits in liquor shall be deemed to bring the liquor under the definition "intoxicating." In the past there has been difficulty in prosecuting cases of unlawful sale because it has been contended that the liquor was not of the intoxicating quality. The new law says that liquor containing $2\frac{1}{2}$ per cent. of proof spirits shall be regarded as intoxicating; and now it is only necessary to test the liquor in order to determine whether or not its sale is a violation of the statute.

A further reform is that which makes effectual the regulation forbidding the holders of licenses taking office as municipal councillors or municipal councillors becoming license holders. This prohibition has been on the statute books for years, but it has been evaded, the persons in question taking out licenses in the name of some other member of the family. The Act of 1905 meets this situation by prohibiting the issue of a license to any man in the name of his wife, his partner or agent, or his son or daughter, if resident with the father.

Still another reform is that which prohibits "tied houses," or the owning of houses by the maker of liquor through an agent. The general opinion is that when the manufacturer of liquor owns the house, the agent is more interested in selling liquor than in keeping hotel. It is the policy to insist that the license holder shall be a hotel keeper. Therefore, the tied house disappears.

One more reform is that which prohibits the adulteration of liquors. Adulteration encourages the taste for liquor, and the requirement that liquor shall not be thus treated makes for sobriety.

Another reform is the abolition of the special census as a basis for issuing licenses. When somebody wanted to get a license in any particular locality a census could be taken to determine whether the population warranted a new license. This is stopped now. The assessors' enumeration rules in the future.

An additional reform making for a good observance of the law is a provision which enables the Minister to cancel licenses in judicial districts for disregard of the law, for the keeping of uncleanly and unsanitary premises, and for the harboring of drunken or disreputable persons.

Protecting the Children

Though it was the law, and had long been the law, that intoxicating liquor could not be sold to children, the License Act, when the present Government came to office, allowed liquor to be sold to any child who produced a written order for its parents or guardians for a supply of liquor. Thus a dissolute parent was permitted to suspend the general law of the Province of his own whim to the degradation of his own child. The Government proposed and the Legislature enacted that on no conditions whatever should liquor be sold to children in Ontario.

Though it had been the law that children could not enter a bar and buy liquor without a written order, it was lawful until 1906 for a child to stand behind a bar and sell liquor. The Government removed this provision from the statute book.

Protecting the Traveller

In spite of the prohibition covering the case, liquor has been sold on vessels without license. The task of stopping the practice has been found difficult. The Government has overcome that point by providing in the new law that for the illegal sale of liquor on board a vessel, the owner, master, captain or other person in command shall be held liable.

Under the Act respecting Steam, Electric and Street Railways the interests of the passengers by land are protected. It is there set forth that liquor shall not be sold to railway operators while on duty or when in uniform.

The same Act imposes a penalty of \$200 upon any person who, being in charge of a locomotive, or of an electric motor, or who, being a conductor on a train or a street car, is intoxicated while on duty.

5,000 Loopholes Closed

Under the old law any justice of the peace might give an order for liquor, which could be filled at times when it was otherwise illegal to sell. These loopholes have been stopped, and 5,000 justices of the peace have been relieved of the responsibility thus imposed upon them.

Under the old law a medical certificate ordering liquor could be used time and time again. Now it does for once only.

Under the old law vendors of liquor could canvass for orders in local option municipalities, thus nullifying the law. Now the canvassing for orders in local option districts is prohibited.

Reductions in Licenses

In carrying out the policy of reform, a reduction in the number of licenses has been effected. The following table shows the licenses issued in the last year of the old regime and the number issued during the year 1907-8:

Licenses issued, 1904-5—		
Tavern.....	2,516	
Shop.....	298	
Total.....		2,814
Licenses issued, 1907-8:		
Tavern.....	2,102	
Shop.....	265	
Total.....		2,367
Reduction in three years.....		447
In New Ontario the licenses have been decreased thus:		
1904-5—		
Tavern.....	183	
Shop.....	25	
Total.....		208
1905-6—		
Tavern.....	177	
Shop.....	24	
Total.....		201
1906-7—		
Tavern.....	175	
Shop.....	21	
Total.....		196

Mr. Whitney's Promise Redeemed

The law as amended, and its enforcement, fulfil Mr. Whitney's pledge made on the floor of the Legislature on March 2, 1902:

"I will maintain intact and allow no relaxation of the restrictions on the sale of liquor. I will enforce the license law honestly, and with the whole power of the Government."

It also bears out the promise made in the Legislature on March 31, 1905:

"The License Act, irrespective of whether the liquor or temperance people will be pleased or not, will be enforced. We expect to find defects in the law, but we will remedy these defects to the best of our abilities, and whatever law the people place on the statute books will be enforced, and we will not for a moment allow ourselves to be dragooned in any way."

COUNTY COUNCILS RESTORED.

AN IMPORTANT REFORM IN THE MUNICIPAL GOVERNMENT OF ONTARIO.

One of the first steps taken by the Whitney Government was to restore the County Councils System in accordance with the promise it had made.

Under the method of electing representatives to the County Councils direct, instead of through the Township Councils, it was found that two evils had resulted.

(1) In some instances, townships were not represented at all.

(2) As the Township Councils were no longer stepping stones to the County Councils, it was difficult to get good men to take an interest in the Township Councils.

The Whitney Government restored the system whereby the people send their representatives to the Township Councils and they go from the Township Councils to the County Councils, thus giving every Township its voice in the County Council, and offering every inducement for public spirited men to take an interest in the Municipal Government of the townships.

The Local Option Law

Reforms Effected in the Working Out of the Principle

The Voice of the People to Rule—Trial of the Three-Fifths Plan

In considering the policy pursued with reference to local option, it is necessary to understand what the law was before the present Government changed it. It is also necessary to consider how the old system worked.

How the Law Stood

The law with regard to local option, prior to 1906, or under the former Government, gave the people the right to vote on the question—but not unless the municipal council agreed that a vote might be taken.

The law with regard to local option, prior to 1906, or under the former Government, permitted local option to come into force if a majority of the people favored it, but not unless the municipal council was agreeable, and so expressed itself by special by-law, after the popular vote had been taken.

Under this state of affairs a great majority of the people might desire the submission of a by-law. But a few men in the municipal council could make a vote impossible.

Under this state of affairs an overwhelming majority of the people might vote in favor of the by-law. But a majority of one in the council could prevent the law coming into force.

If the council was so constituted as to give full play to public opinion, there was a danger of instability in the policy of the municipality. Thus local option carried by a narrow majority might be abandoned by an equally small majority in a very short time.

Reform Desirable

The system did not give rule by the people on this question, as it professed to do. It was also unfortunate, in that it left matters in an unsettled condition, and made for continued discussion without permanent results either one way or the other.

The state of affairs called for action, and action was all the more necessary because a strict enforcement of the license law was about to be undertaken. Such enforcement could not be successful if the principle that was to prevail remained doubtful.

Under the circumstances the Government determined to change the plan. In carrying out its idea it abolished the right hitherto enjoyed by the municipal council of preventing the presentation of a by-law to the people, and of vetoing a by-law after it was passed. In the future the popular voice, without any intervention by the council, was to rule.

The system adopted conferred upon the electors the right to have a vote upon the question when a petition signed by 25 per cent. of the electors had been presented.

It also provided that after the vote, the principle should come into force if, of the votes cast, three-fifths were in favor of the change.

It further provided that when a three-fifths vote had carried the by-law, it would take a three-fifths vote to repeal it, and to get back to the license system.

Briefly stated, the old law gave the municipal councils the right to prevent a by-law being submitted, and to prevent the by-law coming into force after it had been carried. It also allowed the repeal of the by-law, and the return to license on a straight majority vote.

The new plan made it imperative that the by-law should be submitted if asked for by 25 per cent. of the voters, and that when carried by a three-fifths vote it must come into force, and that when in force it cannot be repealed unless a three-fifths majority so says.

The Three-Fifths Plan Approved

The change was objected to in some quarters and was approved in others. The Presbyterian, one of the religious journals, thus spoke of it (March 29, 1906):

"We are free to say that the objections urged by Mr. F. S. Spence and Dr. Chown against the clause which requires a three-fifths majority to carry the by-law do not appear to us so very grave. It is most commonplace of all truisms, but none the less true, that no temperance measure can be made really effective which has not behind it the solid weight of the intelligent public opinion. A by-law carried by a bare majority and indifferently enforced, can only result in weakness, and while with a bare majority vote local option may be carried in a greater number of places, there is the danger of weaker enforcement which always brings discredit upon the law and works to the injury of the popular conscience. It should be borne in mind that the same majority is required for the repeal of the by-law as for bringing it into force, and hence no serious injustice is done. The really grave objection to this part of the Bill is the shortening of the time within which a repeal vote may be taken to two years. If the time cannot be lengthened as it should be lengthened, it should be left as it is at present."

The Pioneer, the temperance paper, thus commented upon the plan (April 28, 1906):

"Can we win with the three-fifths condition? Yes, we can if we try.

"The results already show that wise campaigning will bring up the temperance vote to a point that it will certainly be three-fifths of the total votes cast.

"In a large proportion of our victories we obtained the three-fifths vote that will be necessary under the new law."

So that the three-fifths principle receives the endorsement of religious and temperance authorities.

A Strong Majority Needed

But the matter has been discussed already by those who are interested in social reform. Thus when the proposal to have a prohibition referendum submitted under the Ross Government, the question of the majority that would be necessary was raised. The following opinions were expressed:

Principal Caven (Presbyterian): "I should greatly doubt the wisdom of making less than three-fifths of the votes polled necessary to the adoption of the measure."

Chancellor Wallace (Baptist): "If only a bare majority of the people of Ontario should vote for prohibition it would be perilous to enact a prohibitory law—perilous to the morals of the province at large and perilous to the cause of prohibition."

Chancellor Burwash (Methodist): "The referendum, to be satisfactory, should first of all call out a substantial vote, say two-thirds of all the voters, and then give us a clear majority of all the votes cast."

Principal Sheraton (Anglican): "It seems to me that the vote necessary should not be less than three-fourths. In the Dominion plebiscite, while there was a bare majority in favor of prohibition, that majority was in reality a minority, on account of the large number of voters who through indifference did not go to the polls."

Rev. Dr. Potts (Methodist): "In the event of a referendum, the highest interests of temperance would, in my judgment, be best served by requiring from 60 to 70 per cent. of the votes polled as a condition of such legislation being made law."

Rev. Dr. Warden (Presbyterian): "Should the Government decide on the referendum, there ought, in my judgment, to be in favor of prohibition at least two-thirds of the vote polled, and this two-thirds should constitute considerably more than 50 per cent. of the voters of the province."

The Practice Elsewhere

The bare majority is not required elsewhere. In 1907 a local option measure was introduced for Scotland. Under that bill a three-fifths majority of the vote cast would prohibit the sale of intoxicating liquors, while a majority vote would reduce the number of licenses by one-fourth.

In introducing Mr. Gladstone's local veto bill, Sir William Vernon Harcourt thus spoke:

"First of all, as to the two-thirds. The Government adopted that, 'because from the temperance party itself it has a great authority for that proportion. I have drawn it, I may say, from the original Permissive Bill of the Hon. Member for Cumberland (Sir Wilfrid Lawson), 'for that included a two-thirds majority; to come down to later times, 'the Welsh Bill and the Direct Veto Bill of 1890 had also a two-thirds majority, the Irish Bill of 1890 had a two-thirds majority, the Bill of 'the noble Lord, the Member for Paddington, had a two-thirds majority, and the Manchester Bill also had a two-thirds majority, and another Bill, the Westminster Bill, had a two-thirds majority. Therefore the Government has adopted as the majority for total prohibition a majority 'of two-thirds.'"

In the Colonies

In the following British Colonies more than a majority is required in votes dealing with this question:

New South Wales requires three-fifths to enact local veto, and three-fifths to repeal it.

West Australia—A majority of all the voters on the list.

New Zealand—A three-fifths majority.

Queensland—A two-thirds majority.

Cape Colony—A two-thirds majority.

Quebec—A majority of all voters on the list.

Nova Scotia—Three-fifths in some cases, and two-thirds in other cases to secure licenses.

Saskatchewan—Three-fifths to carry local option.

Alberta—Three-fifths.

Neither Un-British nor Anti-Temperance

These facts serve to show that the policy of a three-fifths vote is neither un-British nor antagonistic to the views of moderate temperance men. As a matter of fact, the two-thirds vote, as proposed by Sir W. V. Harcourt, and as adopted in Queensland and at the Cape, calls for a larger majority than the two-fifths vote does.

The further fact that the prohibitory principle is carried under the three-fifths clause proves that the plan, while it steadies public policy on this question, does not render the passage of the by-law impossible. Since the law has been in force municipalities to the following number have adopted local option:

1907.....	43
1908.....	31
Total.....	74

In all the years that have elapsed since the adoption of the local option plan up to 1906, the municipalities which have carried the by-law number 96. So that in two years, under the three-fifths system, there have been almost as many municipalities brought under local option as in all preceding years.

The Clause on Trial

The Government, in adopting this principle, believed it was contributing to the stability of public policy on this question. By declaring that there should be a three-fifths vote to bring a municipality under prohibition, and that there should be a three-fifths vote before prohibition could be abolished, it made a trial of the British plan already cited.

Mr. Hanna stated in the Legislature (Report of proceedings, April 9, 1908):

"When the Government adopted the three-fifths clause they did so because they wished to see the law enforced, and hoped the expectations would be met, and so the policy would become a part of the policy of the Government. The three-fifths clause was to be given a fair trial, and when that time came it would be for the House to say. The Government was not tied down to the three-fifths clause, and if, after a fair trial, it proved unsuccessful, the Government would be as ready to repeal the clause as it was to adopt it."

Technicalities Waived Aside

Beside the changes above noted in regard to local option, an important change was made at the last session. It was found that through some trifling technicality, local option, though carried, might be prevented from going into force. An amendment was therefore made to the law providing that in municipalities in which local option has been carried and set aside by the courts on technical grounds, no tavern or shop license shall be issued unless the consent in writing of the Provincial Secretary has been obtained.

No Canvassing for Liquor Orders Allowed

It was found that in many instances, although local option had been in force, considerable trade was done in liquor through the agency of canvassers. The law was amended so as to prohibit canvassing for liquor in districts where local option had been carried.

Provincial Officers Employed

The Government found that something else than legislation was lacking to make the law effective. For a long time former Governments had been urged to appoint special officers detailed to go throughout the Province and prosecute offenders where for any reason the local authorities failed to act. The Government took this matter in hand and employed officials, who are sent out from headquarters to wherever their services can be of use to assert the majesty of the law.

Prison Labor Problem

Satisfactorily Solved

IMPORTANT REFORM IN THE INTERESTS OF THE WORKING PEOPLE

Money Lost Under Old Contracts—Conditions Found by the Whitney Government—The Taylor-Scott Contract—An Enquiry and Its Result.

When the present Government came into office, the inmates of the Central Prison were employed in various industries which were operated by commercial concerns. The labor of the prisoners was sold under contract to the different manufacturers and the product was disposed of throughout the Province and elsewhere in the open market in competition with free labor. This had been the state of affairs for many years.

A Money-Losing Arrangement

Not only was the system detrimental to the interests of free labor, but the net result was that the Province, after deducting the cost of operation, was actually out of pocket and lost many thousands of dollars by reason of the industries. In one industry, viz., the wood working shop, the price paid for labor during twelve years averaged three-fifths of one cent per man per ten hour day, and 90 per cent. of the output was sold in the Province of Ontario. In another case the contractor had defaulted for \$12,000.

A Choice of Evils

The Government found itself compelled for a time while looking for a remedy to operate a system which it had no desire to continue. The abandonment of the industries without any plan of reform would have left the prisoners in idleness which would have been productive of great evil so far as they were concerned. Therefore, pending a solution of the problem, the industries have been kept going.

The Taylor-Scott Contract

In pursuance of this policy, the contract with Taylor, Scott & Company was made. This contract, which has been adversely criticised by the Opposition, enjoys the distinction of having yielded in cash to the Treasury more per man than any other contract of the kind the Province has ever had, and also more than was realized from Government operation. Under it prison labor has earned from forty to fifty cents per day instead of being operated at a loss. Formerly some sixty-five lines of manufacture were made in this work-shop. This has been reduced to eleven, and six of these classes of goods are not now regularly manufactured by any Canadian firm. Moreover, the bulk of the output is not sold in Ontario. Under the old contract 90 per cent. of the product was sold in this Province; under the new contract, about 26 per cent. In this respect, there-

fore, a great improvement has been made, and the industries at the Central Prison, of which there were formerly four, have now been reduced to three.

Looking For a Remedy

In the meantime, in order to discover if any solution of this state of affairs could be arrived at, the Government in 1907 appointed a Special Committee of the Legislature, consisting of Messrs. Downey, Dargavel, Pattinson, and Macdiarmid, to make enquiries and present a report. The Committee visited many of the important penal institutions in the United States and submitted a report which has proposed a complete and final solution of the problem.

Solution Proposed and Adopted

The findings of the Committee were in the main adopted by the Government and were submitted to the Legislature and adopted by it at the last session. The resolution adopted was as follows:

That in the opinion of this House, with a view to improving the conditions existing in respect to the custody and employment of prisoners in the Central Prison in the Province, it is deemed expedient:—

1. That a tract of land suitable for the transfer of the Central Prison thereto, and the employment thereon, as far as practicable, of the inmates thereof, be purchased.

2. That steps be taken towards the erection thereon of a new prison.

3. That the property now known as the Central Prison be disposed of when proper accommodation for the transfer is provided.

4. That no further contracts, on what is known as the contract, or piece price systems of employment, be entered into, but that the inmates be employed in the improvement and cultivation of the land and the making, as far as practicable, of such supplies as are necessary for the various institutions of the Province, and in such work as the making of highways.

5. That a branch prison or reformatory be located in Northern Ontario as soon as conditions warrant the establishment of such branch.

Provision was made in the estimates for beginning the work of reforming the prison forthwith. Steps are now being taken in that direction.

Prices of Text Books Reduced

Success of the Government in Remedying a Great Grievance—The School Book Ring Broken—The Ontario Readers Now Cost 49 Cents the Set, Compared with the Old Price of \$1.20 the Set—If Monopoly Threatens the Department will Publish the Books in Future—New System of Public Competition Inaugurated.

That the profits made by publishers of school books were excessive was repeatedly charged during past years. So burdensome had the cost of books become, both by reason of the prices and the frequent changes, that the parents of pupils saddled, for no good reason, with heavy expenditures, were exasperated and their interest in education diminished.

This grievance was especially justified in respect of public school text-books. The authorization of more than one book in a subject was political and not educational policy. The late Government began its career with a one-text book policy. Political embarrassments forced it to sacrifice the financial interests of the public. The mechanical production of the books was inferior, and did not warrant the prices charged. The retention of books on the list after they had outlived their usefulness was another proof of the subserviency to the publishing interests rather than regard for the welfare of the schools. The Public School Readers, for example, were prepared over twenty years ago, and the best educational opinion had for years favored a new series.

Report of the Commission on Prices

A Commission of two was appointed in 1906 to investigate prices. The discoveries made by this Commission were astonishing. The report of the Commissioners, with a full report of the evidence, was laid before the Legislature in 1907. The Commissioners condemned the policy of the past twenty years on several points:

1. The mechanical production of text-books in Ontario was inferior, and the Department of Education had been remiss in neglecting to supervise the quality of paper, the method of binding, and the general appearance of the books.

2. The system of selecting an author, not necessarily the best qualified, to prepare a text-book; of naming the publisher and the price, so that the publisher planned to make money rather than produce a good book, resulted in unsatisfactory work.

3. Profits were excessive for inferior books, and in the case of the Public School Readers alone, five books, the whole set costing about 40 cents to produce, retailed at \$1.30.

4. The loose management of the Department enabled the publishers to secure renewal of contracts by the acquirement of copyrights which should have been controlled by the Department.

5. In the case of the Public School Readers, the parents of children, during the existence of the contract, had paid \$200,000 more than they ought to have been asked to pay.

6. Too many text-books are authorized, and thus entailing a burden on parents.

Evidence of Previous Commission Destroyed

The Commissioners found that the evidence taken by the previous Text-book Commission had been destroyed, and they were thus unable to pronounce upon the value of the testimony on which prices of text-books had been, in past years, maintained at the old levels. The publishers were not compelled to live up to the terms of their contracts by proper Departmental supervision. Economy of production was rendered impossible by a multiplicity of authorized books. The cost of writing books, drawing books, scribbling and exercise books was excessive.

High School Text-Book Prices Too High

The Commissioners also declared: "The price of nearly all High School books is too high, and could be materially reduced and still allow a fair profit to the publisher."

The above outline of the defects inherent in the school book policy of the Province previous to 1905 is a revelation of the obstacles which had to be encountered and overcome by the present Minister of Education on assuming office.

The Government has had to keep in view, first, the educational efficiency of the text-books; secondly, their cheapness. The first consideration cannot be sacrificed to the second. Nor can the second be overlooked. Consequently, progress has necessarily been slower than in some other branches of educational reform.

New School Readers Being Prepared

In providing better books, the opinion of experienced educationists has been sought, the needs of the schools carefully weighed, the claims of new and improved books examined. A committee to prepare a new set of Public School Readers has been appointed, consisting of experienced Public School teachers and Inspectors, with Dr. D. J. Goggin as managing editor. This committee is now at work and a new series will be ready when the present arrangement to supply the schools with the Ontario Readers expires in December, 1908.

Breaking up the School Book Ring

In making this temporary arrangement, the Government broke up the school book ring. The contracts for the old Readers having come to an end, it was decided to throw the printing and supplying of the books open to public competition. This at once reduced the prices, for the publishers were forced to compete with one another. The lowest tender was accepted. The effect is seen in the following comparison between the former prices charged for the Public School Readers and the present reduced prices obtained by open competition:

Ontario Public School Readers

	Former Prices	Reduced Prices
First Reader, Part I.....	10c.	5c.
First Reader, Part II.....	15c.	7c.
Second Reader.....	25c.	9c.
Third Reader.....	35c.	13c.
Fourth Reader.....	45c.	15c.
Total for the set.....	\$1.30	49c.

A considerable reduction in the prices of the literature texts for the High Schools has also been secured. These reductions are as follows:

	Former Price	Present Price	Reduction Per Cent.
English Literature texts.....	50c.	20c.	60 p.c.
Editions without annotations at 15c. and 10c. each.			
French Literature texts.....	40c.	15c.	62½ p.c.
German Literature texts.....	50c.	25c.	50 p.c.
An edition with limited annotations at 15c.			

The whole question of the cost and improvement of all school text-books is now under consideration by the Minister of Education, and the Government has announced that should any combination of publishers attempt to control prices and extort from the public unjustifiable profits, the Department itself will publish the books. The day of monopoly is gone forever.

A complete change will be made in the system of preparing and publishing books for the Public Schools. In future only one book will be authorized in each subject. The authors will be selected or approved by the Department and a lump sum, not a royalty, will be paid them for their work. The Department will have full control of each book, and the printing and publishing thereof will be let by public tender to the lowest bona fide tenderer. The mechanical production will be under constant supervision. By means of the single book policy and the letting of the contract to print and publish for as long a term as educational efficiency warrants, the lowest practicable price can be obtained. By publishing itself, if necessary, the required text-books, the Education Department will defeat any combined attempt to secure unreasonable profits.

Two Cent Per Mile Passenger Fares

WHAT ONTARIO'S RAILWAY BOARD HAS ACCOMPLISHED

Power to Enforce Agreements

GOOD WORK FOR THE MUNICIPALITIES

"It is the settled policy of this Province that a two-cent per mile passenger rate should prevail."—Report of the Ontario Railway and Municipal Board.

Not only is this the policy of the Province, but the Government has taken steps to make it the policy of the electric railways under its jurisdiction. The power to do this is exerted through the Railway and Municipal Board which was established early in the career of the present Government. The Board does many other things, but its control over the great network of electric railways coming into existence has brought it prominently before the public.

An Enthusiastic Tribute

A remarkable tribute to the services of the Board in this connection was paid by the Toronto Globe on August 28th, 1906, in the following editorial:

"The Railway and Municipal Board, created at the last session of the Ontario Legislature, is certainly entitled to a generous measure of credit for having secured on the Metropolitan Railway the enforcement of the law limiting fares to two cents per mile. The three members composing the Board were not appointed till June 1st, and there was naturally some delay in effecting the necessary official organization. They had to get acquainted with the provisions of the law under which they were called upon to act. As the law is new we must expect a certain amount of litigation to determine the meaning of some of its provisions. But if the Board act according to its spirit they will regard themselves as both a commission and a court, inquiring, giving verdicts, and enforcing decisions. In the matter of rates on the Metropolitan the Board acted with promptness, and gave the railway authorities to understand that rates must be reduced in accordance with the new law. Negotiations and arrangements for the change were almost complete before the matter was brought prominently before the attention of the public, and it would be unfair to withhold credit from those to whom it is due."

What the Board did in the instance above referred to has since been done by it with reference to every electric railway under the jurisdiction of the Province. Besides controlling the passenger rates the Board has undertaken a close supervision in regard to everything that affects the safety and the convenience of the public in connection with electric railways.

Power to Enforce Agreements

The Board besides having power to enforce the provisions of the Railway Act can compel the railway companies to carry out their agreements or franchises with the municipalities, while the control of the highways has been carefully preserved to the municipalities. The Board can also compel the municipalities to carry out on their part their agreement with the railway companies. Until this legislation was enacted the street and electric railways were laws unto themselves. They practically defied the Courts, for the Courts had no means of enforcing their decrees. All this has been changed.

Some Cases in Point

The usefulness of this legislation has been demonstrated on several occasions. Orders have been made by the Board against the London Street Railway and the Hamilton Street Railway to make general repairs to their railways and equipment, and large sums have been spent by these companies in carrying out the orders of the Board. An order was made by the Board against the Toronto Railway Company on the application of the City in the Overcrowding Case, for the construction of fifteen miles of new track and for building 100 additional cars. This order can be enforced as soon as the City dedicates the streets for the new lines.

Does Not Wait for Formalities

The Board have power to act upon their own initiative. One notable instance in which they exercised this jurisdiction occurred in the City of Toronto, where by reason of a dispute between the City and the Company in reference to the loops, the City tied up the Bathurst, Winchester and Arthur Street routes. This happened in winter in very inclement weather. The cars were tied up by the City police at 5 o'clock in the afternoon and the people had to walk. At 9 o'clock the next morning the Board on their own initiative made an order for the cars to run and they did run within half an hour, much to the comfort and convenience of the people.

No More of the Law's Delays

The interests of the people have been further served by the power given to the Board to compel the operation of a railway pending the adjudication of disputes between the municipality and the company. This jurisdiction was exercised in the case of Toronto Junction, where the Toronto Railway Company discontinued their service between Humber-side in Toronto and Keele Street in the Junction. The Board ordered the cars to be operated pending the litigation so that the people might not be compelled to walk while the Town and the Company were at law.

Employees Protected

The Board have power to make orders and regulations respecting the rolling stock, guards, fenders, heating, lighting, vestibules, structures and works, so as to duly protect the employees of the company and the public. The motormen of the Toronto Railway Company had been suffering for years by exposure from open vestibules. The Board ordered these closed and they are closed, much to the comfort of the men.

Good Work for the Municipalities

By an Act passed at the last session of Parliament the Board is empowered to pronounce upon the validity of municipal by-laws for borrowing money and the issue of debentures. Where the provisions of the Municipal Act have been substantially complied with the Board can make an order declaring by-laws and the debentures to be issued thereunder incontestable in any Court upon any ground whatsoever. This amendment to the law will effect a great saving to the municipalities and will give a greater value to municipal securities and enable the municipalities to sell their debentures at the very highest price. Provision has also been made for the deposit of Municipal Sinking Funds in the Provincial Treasury where the money will remain bearing interest until required to redeem the debentures.

Perpetual Franchises Abolished

DECIDED STAND TAKEN AGAINST PERPETUAL ELECTRIC RAILWAY FRANCHISES

Solid Liberal Vote Against the Reform

At the session of the Legislature in 1905 an application was made by the Toronto and York Radial Railway Company for legislation which would have given it a charter in perpetuity. The Bill reached the Railway Committee, when the Government made a pronouncement of unusual importance and significance.

Mr. Whitney appeared before the Committee and said: "The Bill contains a clause which practically confers upon the Company a perpetual franchise. The Government will never consent to the passage of a Bill like this. If the Committee passes it the Government will, in the performance of what it considers to be its duty, move in the House to strike out the Bill."

Thereupon Mr. Downey moved for the immediate rejection of the Bill. The vote on the motion stood 8 to 8, and it carried by the casting vote of the chairman, Hon. J. S. Hendrie. "The Liberal members of the Committee voted against the motion" (see Globe report, March 19, 1905).

Thus ended the first and final attempt to engineer a perpetual electric railway franchise through the Legislature, which was defeated in the Committee through the personal appeal of the Prime Minister, while the attempt to secure the franchise had the solid Liberal vote.

Business Management of Ontario's Railway

HOW THE T. & N. O. RAILWAY HAS COME TO YIELD A PROFIT TO THE PROVINCE

Earnings over Expenses:

1906.....	\$181,526
1907.....	259,009

Total (two years)..... \$440,535

Mining Bonuses collected.. 170,600

Mining Royalties collected. 56,376

The above is the financial record of the T. & N.O. Railway under the present administration. From the time the Government took hold of the railway it has been carefully and efficiently operated on business principles.

The railway has now been extended 305 miles northward from North Bay and is within reasonable distance of the junction with the Grand Trunk Pacific.

Some Costly Mistakes

When the T. & N.O. Railway was taken over by the present Government, 113 miles from North Bay to New Liskeard had been operated a few months by the former Government. It was found that in the 113 miles constructed, there were 52 miles of curves, much of which was unnecessary. Had the railroad been properly laid out, at least 5 miles could have been saved in the route upon these two points, which would have reduced the cost by \$250,000 and greatly reduced the expense of operation.

In the second division of the railroad, which was under construction when the Government took hold of it, there were unnecessary curves, which entailed a waste of expenditure of at least \$100,000. Thus, altogether, in these two sections the Province spent under the old Administration \$350,000 more than was necessary.

The People's Interest

A notable feature of the administration of the railway has been the inauguration of a method whereby the people of Ontario are given a permanent interest in the mining wealth of that great country. Under the old system the employees of the railway pre-empted for themselves personally rich mining areas and the public received nothing. Under the present system the Commissioners have in all cases where minerals have been found on the right-of-way, or on town sites, disposed of them at an upset price and retained a permanent interest of at least 25 per cent. in all ores taken from the mines. The result of this policy has been that the substantial sum above mentioned has been brought into the coffers of the railway, and the source of income is likely to grow in the future.

The railway has been operated with a view to encouraging settlement in the northern part of the Province and facilitating trade in every way between the new and the settled portions.

Great Reforms in Mining Administration

Advantages of the New Mines Act over the Old —Minister no Longer Court of Final Appeal.

The present Mines Act, compared with the old Act, has the following advantages:—

1. It has decentralized the administration of mining lands.

Formerly all applications for lands had to be forwarded to the Department at Toronto, where delays were frequent.

Now, by the system of Mining Divisions and Mining Recorders, applications are received in every Mining Division by a local officer, who is supplied with maps and all other necessary data and is able to inform the prospector what lands are taken up and what lands are open for disposal. There are now nine Mining Recorders' Offices—Latchford, Cobalt, Haileybury, Larder Lake, Parry Sound, Sault Ste. Marie, Port Arthur, Sudbury and Kenora—one in every Mining District in the Province.

2. The New Act gives greater certainty of title—a most important consideration.

Formerly a lease or deed was given by the Crown upon payment of the rental or purchase money, certain development conditions being attached. If these were not performed, or if the rent under the lease was not paid, the title was subject to cancellation. As a matter of fact hundreds of mining leases were cancelled for non-payment of rent.

Now the development work must be done before the patent issues, consequently when the title is granted it is secure.

3. Under the old Act the discoverer of mineral was not required to put up any evidence of his discovery on the land. Prospectors were thus often misled, and on making a find found the discovery had already been claimed and the land applied for.

Now the discoverer is required not only to put up a proper discovery post, thus giving notice to all who come upon the land that a discovery has been made, but is also required to stake out and place the lines of his claim so that there can be no doubt about its position upon the ground.

4. Under the old Act there were four or five different prices of mining lands, depending upon their being surveyed or unsurveyed, upon their distance from a railway, etc.

Now there are only two prices, \$2.50 per acre in unsurveyed territory and \$3 in surveyed, so that a prospector has no difficulty in knowing how much he will have to pay.

When the Minister Decided Disputes

5. Formerly all disputes about applications for mining lands were decided by the Department. This in many cases involved considerable expense in bringing witnesses to Toronto, and political influences were sometimes alleged to be used in bringing about a decision.

The new Act takes the deciding of disputes entirely out of the hands of the Minister or the Department, and appoints an official known as the Mining Commissioner for such purpose. The Mining Recorder first gives his decision, and an aggrieved party can then appeal to the Mining Commissioner, and, if still dissatisfied, to the Divisional Court, and then to the

Court of Appeal. The Mining Commissioner holds his sittings wherever most convenient to the parties, gives his rulings promptly, and saves contesting parties much time and expense. This has proven one of the most beneficial features of the new Act.

6. Formerly a prospector could not get possession of a piece of mining land without paying the rent or purchase price. This often bore hardly on a poor man.

Now a licensed prospector can make a discovery and, by doing the required work on the land, legally hold it for three years and six months without having to pay the purchase price. This gives him ample time to make a sale, interest capital, etc.

7. FRAUD. The practice under the old Act was not to make any enquiry as to the genuineness of the discovery, the affidavit being accepted as sufficient. This practice was what permitted of some gross frauds being perpetrated in the early days of the Cobalt district.

Under the new Act power is taken, in especially valuable regions, to inspect alleged discoveries to see whether they are bona fide or not. If not, the claims are cancelled. The working of this inspection system kept large areas of land open to the honest prospector in Cobalt and Montreal River, and led to many discoveries which would probably not otherwise have been made.

8. AREA. The old Act permitted as much as 320 acres to be taken up on one find. Where a district is rich, but of small extent, as not frequently happens, a few discoveries would cover the whole field. The new Act restricts claims to 40 acres, or in very rich tracts to 20 acres.

Proof of the expansion going on in the mining business of Ontario is found in the figures of production. In 1904 the value of the mineral produced was \$11,572,647. In 1907 this production had increased in value to \$25,003,787.

To Encourage Refining in Ontario

To encourage the refining of metals in Ontario the Government passed an Act under which may be earned by refiners of Ontario minerals in the Province five cents a lb. on nickel and cobalt, one and one-half cents a lb. on copper, and one cent a lb. on arsenic refined from mispickel ore.

Activity in Prospecting

The Government has adopted a system of miners' licenses and record fees in order to in part meet the expenses connected with the opening and maintaining of convenient recording offices and mining administration. These fees are merely nominal, but so active has been the prospecting and mining industry during the past year that \$272,860 was received from this source.

Mining Leases Cancelled

One very important work has been carried through without much flourish of trumpets, namely, the cancellation of about 2,000 mining leases, the result largely of mining booms that have flourished for a time, only to fade away. Many thousands of acres were staked for the purpose of exploration and possible exploitation. As time went on hundreds of these fell into arrears of rental, and since assuming charge, the Minister has had all these claims overhauled, and, after due notice, has cancelled where the arrears of rental have not been forthcoming. In this way thousands of acres have been again thrown open from which prospectors had been shut out by old leases.

Better Basis for Veterans' Land Grants

A Problem Which Arose Through Ill-Considered Legislation Solved—Patents for the Veterans, Taxes for the Townships, and Neighbors for the Settlers.

The Government found that the results of locating veteran grants were opposed to the interests of the actual settlers and the development of the various districts. One in every four lots was a veteran location, exempt from all taxes, except school rates, for ten years. The veteran had no particular interest in the community except in so far as its development rendered his holding more valuable. His share of road work had to be done by settlers already burdened with the tasks of the pioneer, and at the close of ten long years the veteran himself, under the original Act, would have been obliged to perform the usual settlement duties before he could get his patent.

These conditions created much dissatisfaction on the part of both settler and veteran, and the Government decided to change the regulations so that on application any veteran could procure his patent, the patent being granted only on condition that the owner became at once responsible for all taxes. This was no hardship to the veteran, as in the unorganized districts there are no taxes to pay, and it removed a distinct hardship in organized townships where money for municipal purposes was none too plentiful and non-resident and non-taxpaying veteran locations were regarded much as a millstone about the neck of the struggling settler.

It was decided to open entire townships for veterans, so that the lengthy holding of the land by those who could not settle thereon would not affect the proper settling up of other townships, while at the same time the veteran would reap the same general benefit following the opening up and settling of the newer districts. Townships have been set apart for this purpose from time to time, and will continue to be as the millions of fertile acres throughout the clay belt are subdivided.

Incidentally the Minister put a stop to the dabbling by township surveyors in veteran locations. Under the old system a surveyor was practically permitted to file his plans and field notes with one hand and file the affidavits which pre-empted all the available veteran locations with the other. This was felt to be very unfair to veterans who were entitled to a fair chance to select their locations.

For the benefit of the veteran who did not wish to take up land and hold it as a speculation, the Government amended the Act and provided a fund for the redemption of unlocated certificates, paying therefor \$50 in cash. And as an indication of the popularity of such a provision, it need only be pointed out that \$46,850 was expended in that manner in 1907, and a vote for \$30,000 has been taken for that purpose for 1908.

The Whitney Government has, therefore, made an effort to be fair to both veteran and settler and at the same time to solve a problem which was rapidly assuming an acute form, and which it is not difficult to see was the outcome of hurried and ill-considered legislation.

ROADS OUT OF POLITICS

New Roads Act Gives the Settlers Control of the Building of Their Own Highways—Co-operation with Local Municipalities — Trunk Roads for Greater Ontario.

Any reference to the development of Greater Ontario under the Whitney Government would be incomplete did it not refer to the cordial and intelligent co-operation of the Minister of Public Works, Honorable Dr. Reaume, with the Minister of Crown Lands. He has always shown a sympathetic interest in the necessities of the settler and the newer communities needing roads and bridges. The fact that the vote for roads and public works in 1908 is \$445,462.00 as against \$174,759.00 in 1904 is evidence that the Minister's sympathy assumes tangible and definite shape. His Roads Act of the session of 1907 is a long stride in the right direction. It gives the people much more say in the building of their own highways, and the people of the North appreciate this and will appreciate it more as the good features of the measure become more widely known.

Townships Control Expenditure

It provides that the municipal council of the township—and here again is where organization is useful—shall, before the first day of November in each year, pass a by-law setting forth how much it can raise to build necessary roads. To this sum the Government will add dollar for dollar, or in case of special need, two dollars to one.

This money is then expended, not by the Government, but by the municipal council, which, having raised part of the money and being directly concerned, has an interest in seeing that the appropriation is wisely expended and value received for the expenditure.

In other words, the Act puts the making of the roads of the new country out of politics and makes it impossible to penalize a township for political reasons. It has its rights assured by Act of the Legislature. The only point at which the Department is concerned is to see that the road is properly built, and for that reason stipulates that the work must be completed in such a manner as to warrant the approval of the road inspector for the district.

To those who are familiar with the manner in which road monies have been expended in times gone by, with a single eye to party advantage, the new Roads Act will appeal.

Another necessity of Greater Ontario is trunk wagon roads, and here again the present Government has been handicapped by the lack of system and definite aim and policy of its predecessors. The Sudbury-Soo trunk road was surveyed last year, at an expense of \$3,687.38, and the first vote of \$40,000 for the work itself has been taken in this year's estimates. Important main arteries are gradually being formed throughout the Temiskaming country, and it is the intention, when proper drainage has been provided, to do something along these lines for the Rainy River country. A vote of \$10,000 for drainage has been taken for the Rainy River district, and a general vote of \$50,000 for new trunk roads in addition to the \$40,000 for the Soo road already referred to—a total of \$100,000 in three items alone.

Agricultural Training in the Schools

First Step in a Movement of Far-Reaching Importance to Agriculture

Teachers to Act as Agents of the Department of Agriculture for the Benefit of Farmers

After more or less agitation of the subject for a number of years, during which nothing practical was done, the present Government took the first step looking to the teaching of agriculture in the schools of the Province. As a beginning, courses in agriculture have been organized at six High Schools, and the work placed in charge of trained scientific agriculturists—graduates of the Ontario Agricultural College. This movement will, it is hoped, gradually extend throughout the Province, and is destined to have a far-reaching effect on Ontario agriculture. Three additional teachers have been provided for in the 1908 estimates.

The men in charge of these classes have also been made district representatives of the Department, with local office accommodation. This movement is designed to bring the farmers into closer touch with the work of the Department. It will afford a more direct and ready means of communication and assistance. Local problems, conditions and needs will be more easily ascertained, and a better means of communication established.

It is proposed to increase these branch offices of the Department along with the extension of the agricultural courses, until the whole Province has been covered, the work of scientific instruction, and the results of investigations carried on at the central institution at Guelph, are brought right home to the farming community, and every county has within its bounds an expert agriculturist who can advise and assist the farmer. These are departures that have received the highest praise from the agricultural press of the Province.

A Comprehensive Measure of Law Reform

To Expedite Trials, Decrease Appeals and Lessen the Cost of Litigation

After very careful consideration of the situation the Government proposed a measure of Law Reform which is designed to decrease appeals, expedite trials and lessen the cost of litigation. This proposal was endorsed by the Legislature at its last Session and was allowed to go before the public in the shape of a Resolution, to be crystallized into legislation at the next Session of the Legislature. This is the procedure which was adopted by Sir Oliver Mowat in introducing the Judicature Act, when he placed the measure before the Province and allowed it to stand over in order that all opinions on it might be heard and weighed. The proposals which the present Administration have made and which constitute the greatest measure of Law Reform ever proposed in this Province, are as follows:

1. That there should be but one Appellate Court for the Province.
2. That all the Judges of the Supreme Court of Judicature for Ontario should constitute the Appellate Court.
3. That the Appellate Court should sit in Divisions, the members of which should be permanently assigned to them, or chosen from time to time by the Judges from among themselves.
4. That the Divisions should consist of five members, four of whom should be a quorum, except in election cases, and cases in which constitutional questions arise, for which five members should sit, and except in appeals from inferior courts, for the hearing of which three judges should form a quorum.
5. That the decision of the Court of Appeal should be final in all cases except where (a) Constitutional questions arise, or (b) questions in which the construction or application of a statute of Canada are involved, or (c) the action is between a resident of Ontario and a person residing out of the Province.
6. That the appeal of Right to the Judicial Committee of the Imperial Privy Council should be abolished, and the prerogative right of granting leave to appeal to that tribunal, if retained, should be limited to cases in which large amounts are involved, or important questions of general interest arise.
7. That in matters of mere practice the decision of a Judge of the Supreme Court, whether on appeal or a judge of first instance, should be final.
8. That provision be made to regulate examinations for discovery to prevent the excessive costs that are often incident to such examinations, and the undue prolongation of such examinations.
9. That the County and District Courts shall have jurisdiction in all actions, whatever may be their nature or the amount involved, if both parties consent.
10. That the ordinary jurisdiction of the County and District Courts should be increased.
11. That communications should be had with the Imperial and Dominion Governments with the view to legislation by the Imperial and Canadian Parliaments as to such of the foregoing matters as are not within the legislative authority of the Province.

It is the avowed purpose of the Government to crystallize these reforms, go far as can be done, into an Act of the Legislature next Session.

LABOR BUREAU ACTIVITY

INCREASED INTEREST TAKEN IN THE WELFARE OF INDUSTRIAL WORKERS

**Free Employment Bureaus Established—Valuable Statistics
Collected—Protecting Factory Workers—Age of
Children Employed Raised to Fourteen**

The Bureau of Labor of Ontario was established in 1900. Under the present administration, and especially in the last two years, its work has been greatly enlarged and made more effective, with greater consequent benefits to the wage earners and employers of labor, and through them to the whole community.

Free Employment Bureaus Established

With this end in view, the last additional operation of the Bureau has been the establishment last year of Free Employment Agencies in Hamilton, London and Ottawa. Though they were not in operation for the full year, and had to contend with usual difficulties of new establishments, they did good and useful work. There were 919 applications for work by men and 78 by women, 363 applications for male help and 92 for female help; 287 men and 23 women obtained situations by this means. It is intended to establish shortly one or more of these Free Employment Bureaus in other cities, which will be of great benefit to the community, as the services they render are gratuitous and trustworthy.

Labor Difficulties Adjusted

The Bureau has assisted satisfactorily in the settlement of labor difficulties on various occasions in the past few years. It has brought about the payment of the current rate of wages to mechanics employed about the Parliament Buildings for years, and the insertion in Government and municipal contracts of clauses and schedules requiring the payment by contractors of the prevailing rate of wages for the recognized working hours.

Valuable Information Compiled

The circulars sent out to manufacturers, labor organizations and municipalities, asking for information, are receiving more numerous and fuller replies. Thus 559 municipal clerks made returns last year, as compared with 292 in 1904, the last year of the late administration, including all the cities, nearly all the towns and incorporated villages and a large proportion of the townships. In response to additional questions asked for the first time, figures were given for the number and cost of new buildings, and the amount spent on permanent improvements and on sanitation. These figures have been tabulated in the annual report, showing plainly the large expenditure for these objects, and the satisfactory growth of the Province. Though in a measure incomplete, these returns show 14,733 buildings erected during last year at a cost of \$34,-644.109; expenditure on permanent improvements, such as roadways,

bridges, sidewalks, etc., \$4,108,626; and on sanitation, including sewers, \$1,046,581. The information given by the clerks as to the new factories started, and the openings that exist for other industries, will aid progress in these lines.

Current Rates of Wages

The secretaries responding for the Trades Unions numbered 271 in 1907, as compared with 208 in 1904. The tables compiled from these schedules in the annual Report, giving the rates of wages and working hours for organized and unorganized labor, will be of interest and value to the wage earners and show a gratifying improvement in their condition as regards both wages and working hours. Suggestions affecting their interests, made by the labor organizations, are given in the Report. They are of use to the Government as showing the requirements and aims of the wage earners, which is being given to them.

Returns From Manufacturers

The manufacturers also sent in more replies, there being 384 capable of tabulation as compared with 174 in 1904. The tables in the annual report, showing the product, number employed, wages paid, proportion of wages to product and other details, will be of interest and benefit to those employed in factories and workshops. An appended table—another new feature—shows the large increase in product, averaging over 20 per cent., and in wages averaging nearly 11 per cent., in respect to which it is satisfactory to remark that in no case is recorded a decrease of wages in any single industry.

It may be added that the returns which are now coming in from the municipalities, labor organizations and manufacturers for 1907 give promise of the continuance of the growth experienced previously and of still greater completeness of the information afforded. This will not only increase their usefulness, but is a gratifying proof of growing appreciation of the beneficial nature of the Bureau's work in this direction.

Protection of Factory Workers

Also, in connection with labor interests, it should be noted that the factory inspection staff was found to be inadequate for the proper enforcement of the provisions of the law for the protection of persons employed in factories. The number of inspectors has, therefore, been increased from six in 1904 to ten in 1908. A Chief Inspector has been appointed to supervise the work.

Child Workers Protected

To further safeguard the welfare of children employed in gainful occupations and to insure them an opportunity of obtaining an education, to which every child in the Province is entitled, the age limit at which children may be employed in shops and similar places has been raised to fourteen years, during school hours, unless such child holds a certificate issued in accordance with the Truancy Act. Outside of school hours and during vacation, the age limit has been raised from ten to twelve years.

Progressive Measures for Farmers

Larger Expenditures for the Benefit of the Agricultural Interests

Pure Milk for Urban Consumers—Forestry in Older Ontario—Training for Veterinaries—Experimental Farm in New Ontario

Expenditure for Agriculture 1904-1908

Expenditure for Agriculture, 1904.....	\$411,955.51
Expenditure for Agriculture, 1907.....	504,964.51
Percentage of increase, 1904-1907.....	22½%
Or, with the expenditure under Public Buildings included.....	26%
Estimated Expenditure, 1908.....	603,860.00
Percentage of increase, 1904-1908.....	46½%
Or, with Public Buildings included.....	51%

A Record of Progressive Administration

Practically every branch of the Department has been more efficiently organized, strengthened and extended by the present administration.

Pure Milk for Towns and Cities

The Milk, Butter and Cheese Act passed at the recent session of the Legislature provides that inspectors may be appointed to see that milk supplied for urban consumption is free from preservatives and has neither been watered nor skimmed. At the present time there are inspectors who investigate the milk supplied to cheese factories and creameries, and it is the intention to safeguard the consumer of milk in a similar way.

A Forestry Policy for Older Ontario

As the outcome of careful investigation, this year a beginning will be made in systematic forestry work in older Ontario, and a small appropriation has been obtained for that purpose. The intention is to secure what is now waste land (of which blocks exist in various sections in the settled parts of the Province) and plant the same to suitable forest trees. The policy followed up will mean that eventually all these barren lands will be turned to useful account with far-reaching results.

The Veterinary Profession

Arrangements have been concluded for taking over the Ontario Veterinary College by the Government, the intention being to conduct it on principles similar to the institution at Guelph.

Demonstration Farm

To promote the welfare of settlers in the Clay Belt of Northern Ontario, an experimental or demonstration farm is being developed north of Matheson, on the line of the Temiskaming & Northern Ontario Railway.

Reform in Incorporated Companies' Law

Protection for the Public

When the present Government came to power there were upwards of 25 Acts in the Revised Statutes relating to the incorporation and control of industrial companies and private associations. This does not include numerous other statutes not consolidated and various amendments. These have been consolidated into one Act.

There were upwards of five methods of incorporation. Now there is one. There were four statutes respecting expropriation; now there is one.

This alone is a large measure of law reform.

Then there were no regulations relating to the filing of prospectuses or to the flotation of industrial companies. Now the clauses regarding prospectuses and companies offering shares for public subscription give substantial protection to the public. The company promoter and the fraudulent mining man may not now exploit the public with impunity. The Government has not only passed these laws, but has taken steps to see that they are enforced.

While greater facility has been given to companies in carrying on the particular dealings of companies, greater security has been given to the investing public. Now there must be an audit yearly. The directors must report to the shareholders showing the true condition of the finances of companies. Moreover, companies operating public utilities are now under control as regards their rates, and they cannot water their stock. While these restrictions have been imposed, the Companies Act has met the requirements of companies.

The number of companies incorporated in 1907 is double the number incorporated in 1904. The fees have increased from \$101,000 in 1904 to \$255,000 in 1907.

WORK FOR DEPENDENT CHILDREN

Helping the Boys and Girls to Get a Good Start in Life

The Children's Aid Branch has, under the Whitney Government, undertaken a much more extensive propaganda, and has given an impetus to the work in all sections of the country.

On assuming office, there were only about thirty Children's Aid Societies, while at the present time there are sixty-seven. The main feature of this work has been the development of a splendid body of philanthropic workers, who give freely of their time and means to the Children's Aid movement. It is estimated that there are at least one thousand persons who render disinterested service, which is, of course, the highest kind of service.

There are now between four and five thousand children in foster-homes and situations under the auspices of the Department, and these are regularly visited and their progress reported upon. Not only have the children themselves been protected and cared for wherever necessary, but all such worthy movements as public playgrounds, vacation schools, prevention of truancy, improvement in child-labor conditions, establishment of children's courts and other progressive undertakings have been forwarded to the great benefit of thousands of little people both now and in the years to come.

The Mercer Reformatory

A noteworthy feature has been the action taken in placing the sixty-five inmates of the Mercer Refuge for Girls in foster-homes and situations. For years the enlightened sentiment of the Province was opposed to the young girls who had committed trifling offences being under the same roof as the adults who were sent to the Mercer for serious crimes and misconduct, but it was not until the present Government took the work in hand that anything practical was attempted. A special study was made of each girl's history, and she was placed in a well-selected home, far removed from her former surroundings. This was done until the entire number had been placed out, with the exception of some six or eight who from feeble-mindedness could not be treated in this way.

The results proved the wisdom and humanity of the action taken, for the girls, appreciating the confidence shown in them, responded loyally and with very few exceptions are now respectable young women, quite a number of them having married and being in possession of homes of their own. The act was not only a great kindness to the young people concerned, but was a new experience for philanthropic workers, who often wished to see demonstrated how far home-finding work could be carried on.

To-day the proportion of juveniles in reformatories and prisons in Ontario is less than in any similar state or province on the continent with the same population, and the Government can be relied upon to continue this record and see that every Ontario boy and girl has a fair chance to develop all the possibilities with which nature has endowed him or her.

A GREAT REFORM —IN— HOSPITAL MANAGEMENT

COMPARISON OF THE OLD METHODS IN THE TREATMENT OF THE INSANE WITH THE NEW METHODS

Hospitals for the Insane NO LONGER Houses of Detention

In the Province of Ontario are eight hospitals for the insane, one hospital for idiots and feeble minded, and one hospital for epileptics, caring for a population of almost 6,200 patients, and all of which are under the control of the Provincial Secretary's Department.

For a number of years before the present Government came into power, the hospitals for the insane had remained at a standstill, and lacked the progressive features which at present characterize them.

Appreciating the importance of this branch of the Department, the Provincial Secretary took immediate steps to re-organize the same. He realized that, while the economic management of the different hospitals was a matter of consideration, the first and most important of all, however, was the proper care and treatment of the patients.

The hospitals were not originally designed to be mere detention houses for those so unfortunate as to suffer from mental troubles, but were to be hospitals in the strict sense of the word, where those suffering from mental troubles could be sent for treatment, and that treatment should be the best known to modern science. These changes cannot be made in a year or two years, but gradually as the demands of each hospital can be worked out.

The comfort of the patients was most important. Their surroundings are to be made as home-like and cheerful as possible. To effect this necessitates many alterations in the wards, and the purchase of suitable furniture and decorations. At the present the different hospitals, through these changes, compare favorably with hospitals in any other country in their bright and home-like appearance.

In the treatment of the patients the first step in advance was made in the Hospital at Kingston by the installation of the continuous baths and hot air system. These methods had been in use for some years in Europe and the United States, but had never been introduced into the Province of Ontario. To-day almost every hospital for the insane in the Province receiving for treatment acute cases of insanity as distinguished from incurable cases, has either already installed the systems or is making the necessary structural alterations required to accommodate the same.

In the hospitals at London and Hamilton more radical changes in the treatment of patients are being brought about. At these hospitals are splendid buildings, originally intended for patients suffering from physical ailments, but which in late years have also been used for wards for tubercular and incurable cases. When the changes now being made are completed these buildings will be used only to care for the acute cases of insanity and those suffering from physical ailments.

No longer will patients going to these hospitals suffering from the feeling when discharged that they have been detained in insane asylums. Many of them will never have seen the inside of one, but will go out into the world again feeling that no stigma attaches to them from their hospital residence, and they will feel that they have been merely undergoing treatment in a hospital in the same manner as any other sick patient would.

Apart from one hospital in the State of Michigan, the completion of the changes in the hospitals at London and Hamilton will place these two hospitals ahead of any other hospital on the continent of America.

To bring provincial hospitals up to the highest standing of other countries, better facilities had to be installed to enable the medical officers to properly observe their cases and to compile the necessary histories relating to the same. To accomplish this a complete system for recording clinical cases has been put into effect, and the medical officers no longer spend hours daily in performing clerical work, but their time is devoted to the careful study and observation of their patients.

In order that the most modern methods in the treatment of the insane might be had in the Province, a Commission was appointed in 1907 to visit the hospitals on the European continent. The members of this Commission made a careful study of the methods in vogue, and a full report on this has been received, and in time advantage will be taken of the suggestions contained therein.

Results of a Business Administration

Insane Persons Not Permitted to Remain in Gaols Like Criminals

Revenues Increased—Undesirable Immigrants Deported—Increased Aid to Charities

Prior to the year 1906, under the old administration, if a person was charged before a Magistrate with being insane, he was committed to the County Gaol by that Magistrate, where in the course of a week he would be examined by a Judge and two doctors and probably after the expiration of from three to six weeks, and in some cases longer, he would be removed to the Hospital for the Insane. During his detention in the Gaol he was in the same class as a criminal, kept in a cell and fed as prisoners would be fed.

By an amendment to the Act respecting Asylums and the Custody of Insane persons, this procedure was done away with and while patients may be committed before a Magistrate, the Act expressly forbids the committing of these persons by the Magistrate to the Gaols excepting in cases where the persons are so violent and dangerous and there is no other suitable place for them.

At the close of the year 1907, there was not a single patient in the Gaols awaiting removal to the Hospitals, and in almost every instance where a patient is brought before a Magistrate, removal is effected within twenty-four hours after notice has been received by the Department.

Revenue from Paying Patients

The year 1904 was the largest year for the collection of revenue from paying patients under the Ross administration, the total amount collected being \$106,167.49. Compare this with the collections made by the present administration.

For the year	1905.....	\$142,841.78
"	" 1906.....	165,241.31
"	" 1907.....	166,419.63

The collection of revenue from paying patients is no longer made the leverage by which votes may be obtained, the Department only asking for payment where payment should properly be made and only after a careful examination into each case to ascertain that no hardship will be inflicted on the friends or family of a patient.

Careful and Business-like Management of Estates

The Department manages between eight and nine hundred estates of insane persons. Since the present administration came into power, all these estates have been handled in a careful and businesslike manner ensuring to the friends prudent and economic administration. By departmental administration the estate is saved the large and unnecessary expense of having a Committee appointed, and upon the patient's discharge his estate is turned over to him less the nominal cost for administration.

Deportation of Undesirable Immigrants

When the present Administration came into power, it was found that the Hospitals for the Insane, the Gaols and the Public Charities were largely populated with insane and defective immigrants. No steps had been taken previously by the Reform Administration to safeguard the interests of the Province by the deportation of undesirable immigrants; consequently the Province had been put to an enormous expense in the care of this class and the people of the Province, to whom the Provincial Institutions belong, were deprived of the benefits through being crowded out.

What the Whitney Government Is Doing

In the fall of 1906, the first undesirable immigrant was deported from this Province. For the remaining portion of that year, 19 immigrants were deported. In the year 1907, 87 were deported and for the first three months of 1908, 28 were deported, making in all a total of 134.

Saving to the Province

It is estimated that the cost to the Province for the maintenance of these undesirables, based on their expectancy of life, is not less than \$4,000 each, exclusive of any allowance for cost of buildings, wear and tear, etc.

The saving to the Province as a result of the deportations amounts approximately to the enormous sum of **\$536,000.**

The deportations for the year 1908 will exceed the deportations for the year 1907, and a greater saving to the Province thereby effected.

Increase in Grants to Hospitals

Under the Ross Administration the grant to Public Hospitals of the Province was made on a basis of 17 cents per head. This rate, under the present Administration, has been increased to 20 cents.

In 1904 the grant to Charities was \$110,000.

In 1908 the grant to Charities was \$139,384.

Grants to Sanatoria for Consumptives

The grant to Sanatoria for maintenance of patients suffering from Tuberculosis was NOTHING in 1904.

During the past three years \$66,575.00 have been paid by the Whitney Government to these Institutions located at Gravenhurst, Weston and Hamilton.

Grants to Refuges and Orphanages

In the year 1904 the grant was \$83,500.

In the year 1908 the grant was \$91,550.

Game Protection More Effective

The Minister of Public Works Makes the Act More Stringent, and Adopts Fresh Precautions to Prevent the Destruction of Birds

The Ontario Game Protection Act has been revised and strengthened since the present Government came into power, making it more effective, and having a tendency to keep up the supply of game, afford better protection, and at the same time to increase the revenue. The general feeling of the country was that more of the revenue derived from the game department should be used for the better protection of our game, and for re-stocking some of the depleted covers.

In this latter work it may be pointed out that in 1904 the quail covers of Western Ontario were pretty well cleared out, but by the judicious expenditure of \$1,000 per year during 1905-06-07, importing quail from the United States, the covers were again fairly well stocked, in fact better quail shooting prevailed during the season of 1907 than for some years past.

The shortening of the time in which game may be held in possession, kept in cold storage, or sold on the tables in hotels, clubs, etc., will have the effect of saving our game to a large extent.

The increasing of the license fee to non-resident hunters to \$50 reduced the number of non-residents coming here to hunt big game from 447 in 1904 to 174 in 1907. While this will to some extent reduce the revenue, it will materially aid in saving the game for residents of our own Province.

The extreme north-western portion of the Province, which was to a large extent neglected, has been receiving the attention of the Department, and the laws are now being effectively enforced, as well as in other parts of the Province. Fines amounting to \$1,485.91 were collected from offenders during the past year.

The revenue, notwithstanding the falling off in the non-resident license fees, was increased by over \$4,000 in 1907, as compared with 1904.

A Bad Deal Corrected

IT COSTS ONTARIO \$130,000 TO RECOVER MINING REVENUES SACRIFICED BY THE LATE GOVERNMENT

By Making a Relatively Small Outlay a Large
Revenue is Assured

LEADER MACKAY'S BLUNDER SET RIGHT

The Opposition has made much of a vote of \$130,000 passed during last session to pay the La Rose Mining Company for its work in connection with the recovery of royalties from the O'Brien mine. It is insinuated by Mr. MacKay and his associates that this vote was improper, and that the money went to a brother-in-law of a Minister. The facts are these.

A Railway Commissioner Gets a Mine

Mr. M. J. O'Brien was the chairman of the Temiskaming Railway Commission under the late Government. To him and his associates the Ross Government granted the valuable mine now bearing his name. Others claimed the property on the ground that it had been acquired by fraud, and that, therefore, Mr. O'Brien was not entitled to it.

But on Dec. 20, 1904, in the middle of the general election campaign, Hon. A. G. MacKay, then Commissioner of Crown Lands, and now leader of the Opposition, ruled against the claimants and passed the property over to Mr. O'Brien. That a mine in the Cobalt region should have gone to one of the Railway Commissioners is of itself a circumstance of considerable significance.

That Mr. MacKay should have secretly decided the dispute as to the ownership, when an election was in progress, in favor of a friendly politician who was at the time in charge of the Temiskaming Railway is another point worthy of consideration.

An Appeal for Justice

When the Whitney Government took office the concession made by Mr. MacKay to Mr. O'Brien was a matter of dispute, and the La Rose people, of whom a Minister's brother-in-law was one, demanded a fiat from the Government enabling them to contest in the court the grant which Mr. A. G. MacKay had made, and thus prove that they and not Mr. O'Brien and his company were the real owners of the mine.

If the Government had desired to favor the brother-in-law of a Minister, it could have granted this fiat and thus have given the brother-in-law the opportunity to get possession of the property by litigation. But the Government refused the fiat.

It said to the La Rose people and to the brother-in-law of the Minister that if the mine did not belong to Mr. O'Brien it belonged to the people, and to the people and not to the La Rose Company it should go. The Government therefore took the case up itself, using the evidence of which the La Rose people were in possession, and agreeing to pay the cost of the litigation.

Restitution Offered

The dispute was to be tried, not in a secret way, in imitation of the action of Mr. A. G. MacKay, the present leader of the Opposition, nor in the middle of an election, but openly in the courts. At this point the O'Brien Company made an offer. It proposed, for it had expended large sums, to pay the Government, in settlement of the claim, 25 per cent. of the value of all the ores produced by the mine, the same to be reckoned at the pit's mouth.

The Government had now to decide whether to press the lawsuit or to accept this compromise. It determined upon the latter course, first, because mining shares passing from hand to hand become the property of persons who are not concerned in the original trouble, and, secondly, because litigation might paralyze the industry for years. The offer was therefore favorably received and the action was dropped.

Great Gain for the Province

Since the arrangement has been made the Government has received from the O'Brien Mine no less a sum than \$239,595, to which sum the province was not entitled under the bargain which Mr. A. G. MacKay made. In years to come the revenue of the province will benefit by millions as a consequence of the new arrangement.

Not one cent of this money would have been secured for the province but for the action taken. Not one cent would have been realized if the Government had favored the brother-in-law of a Minister by giving a fiat which would have permitted the property to pass to the brother-in-law and his fellow-shareholders in the claimant company or would have confirmed the O'Brien Company in its claim without any further payment to the province.

Settlement With La Rose

When the settlement was reached the La Rose Company, which began the dispute and made the case, sought compensation, and asked for \$350,000. This sum the Government refused to pay. A claim for a smaller sum was then made—\$250,000. The Government also objected to this.

The Government subsequently offered to pay the La Rose people their law costs—\$30,000; and, in order to quiet their claim against the Government, for they still held that they were entitled to the mine, to allow them a share of the royalty. The share of the royalty offered to the La Rose people was 40 per cent. of the amount received until \$100,000 had been paid, when the payment would end.

This proposition was accepted, and thus it is that \$130,000 was voted in settlement of the matter.

The Province Pays Nothing

The \$130,000 is payable out of the \$239,000 so far collected from the O'Brien Mine. So that the province is in pocket \$110,000 already, and stands to collect millions in the future. Briefly stated, it has cost Ontario \$130,000 to correct the mistake which Mr. MacKay made when, during the last election campaign, he gave the then chairman of the Temiskaming Railway a mine worth a fabulous sum without asking a sufficient royalty from him.

When this mining dispute came before the Whitney Government it had the choice of leaving the matter untouched, in which case the O'Brien Company would have escaped the royalty or of giving the La Rose Company the right to take action on its own account, in which event the La Rose Company might have got the property, to the advantage of a Minister's brother-in-law.

Instead of taking either of these courses it stood by the province and secured the 25 per cent. royalty for the people, thus getting for the Public Treasury the huge revenue which Mr. A. G. MacKay had thrown away.

An End to Railway Bonuses

**MONEY AND LAND NO LONGER VOTED TO
GREAT CORPORATIONS**

A Decided Improvement Upon the Old System

**The Canadian Northern Guarantee a Good
Bargain for the Province**

**A CLEAR STATEMENT OF A STRAIGHT
BUSINESS TRANSACTION**

The only assistance given to railway companies in Old Ontario by the Whitney Government is the guarantee of the bonds of the Canadian Northern to the amount of \$2,500,000, the security taken being the Toronto terminals, the terminals at Key Harbor, and the branch lines.

This assistance costs the province nothing. It is simply an endorsement of the note of the company for the amount named. Should the company fail to pay the money the province can take the line of railway and own it for the amount of the bonds, in which case it will have a bargain.

Better Than the Old Plan

This costless aid is better than the old plan which it supersedes. That plan which was commenced by the former Government consisted at first of giving \$3,000 a mile for every mile of railway built. Under this system more than \$10,000,000 of the public money was pledged to railway companies.

The amount given was so large that the province could not pay it. A scheme of deferred payments was therefore devised. Instead of giving cash the old Government gave certificates entitling the company to collect the bonus in half-yearly instalments with interest. The instalments covered forty years. At the end of forty years the province, under this plan has paid, not \$3,000 a mile, but owing to the addition of interest, \$5,600 a mile.

It soon became apparent to the old Government that it could not pay the instalments regularly. To meet this situation, power was taken to sell annuities, the proceeds to be used in meeting the instalments. The annuities were floated, and as they bore interest, they raised the cost of the \$3,000 bonus granted to the railway from \$5,600 to \$10,000 per mile. That is to say, while the railway was voted \$3,000 a mile, it cost the province \$10,000 to pay it.

When the Whitney Administration came in, the amount of money which the province was pledged to pay on the instalment plan was \$6,713,957. During the three years of the Conservative regime \$671,280 has been paid off this debt, so that the liability which remains is \$6,042,-675.

Great Land Grants

When the policy of giving money had involved the province in a large debt the old Government turned to the public land, and began to give that away. The following grants were made by it in the last few years of its term.

	Acres
To the Algoma Central.....	1,480,000
To the Manitoulin and North Shore.....	2,927,000
To the Thunder Bay, Nipigon and St. Joe.....	150,000
To the Grand Trunk Pacific, in addition to \$2,000 per mile.....	1,200,000
Total.....	5,757,000

Of this huge gift of the public lands the Whitney Government has secured the return of 525,000 acres from the Grand Trunk Pacific.

While giving land and money the late Government commenced the policy of guaranteeing railway bonds. It was maintained that by this process railway construction was aided, and neither land nor money was given.

The Canadian Northern Guarantee

One of the companies aided by a guarantee during the term of the old Government was the James Bay Railway, now known as the Canadian Northern. This road runs from Toronto north to Sudbury, where it will ultimately join a line running to Winnipeg, thus becoming part of a new transcontinental system. The bonds of the road were guaranteed by the late Government to the amount of \$5,360,000.

The Whitney Government was asked to extend that guarantee to cover the Toronto terminals, the works at Key Inlet, and the branches to Moose Mountain, Key Inlet, the Farrow Mine and Orillia, the further guarantee being on \$2,500,000 of bonds. Into the application the Government looked, and it concluded that as the Ross guarantee gave the province a mortgage upon only a part of the line, leaving the Toronto terminals and the northern harbors and the branches out, it would be prudent to give the added guarantee and to take a mortgage upon the entire line. This course was thereupon followed.

The guarantee as it stood gave the province a mortgage upon the main line only and was not as satisfactory to the province, the guarantee as re-arranged gives the province a mortgage upon the system as a whole and is good and substantial security.

Mr. Whitney's Statement

Dealing with the guarantee in an interview Mr. Whitney has made the following statement regarding it:

"The facts relating to the guarantee of bonds of the Canadian Northern Railway are quite simple and easy to be understood, and will be put fully before the public at the proper time. Just now the Globe and the Hon. A. G. MacKay, seeking for material to attack the Government, and finding none, are endeavoring to raise a storm over this question, but, as I said some time ago with reference to another subject, it is simply twaddle, and then again more twaddle."

Policy as to Grants Unchanged

"The policy of the Government has been, and is now, against continuing grants or bonuses or guarantees to railway enterprises. The then Opposition went on record against the original guarantee to the Canadian Northern Railway, and it would repeat that action to-morrow."

A Legacy of the Late Government

"When we came into power we found the guarantee in existence of \$20,000 a mile for 268 miles—\$5,360,000—but no terminals had been provided for. A short line leading into the Hutton mine, probably the richest mine in Canada, had not been provided for. A short line from the main line to the Key Inlet on Georgian Bay, the main port to which business would come to the railway from the Northwest, had not been provided for, nor had one or two other short spur lines."

Terminals Necessary to Complete

"The terminals at Toronto and Key Inlet will include large areas of land, buildings, piers, elevators and other enterprises, without which the railway would be not only incomplete, but practically useless. Consequently the Government agreed to guarantee bonds for the construction of the short lines I have mentioned, the guarantee amounting to a million dollars, also the amount already expended on the terminals, and 65 per cent. of the future expenditure on the terminals, the whole guarantee regarding terminals not to exceed a million and a half of dollars."

A Good Business Transaction

"It was not a grant or guarantee to a speculative railway enterprise, or something which might come into being in the future. It was straight business transaction between two parties already interested in a business way. We found the credit of the province pledged with a security by way of mortgage, which under some circumstances would be practically valueless. Speaking for myself, I would rather own the short line, 30 miles long, leading into the Hutton Mine, than all the rest of the railway."

Valuable Security Given

"Finding the province already in the position mentioned, and likely to have its security dwindle in value, we agreed to the further guarantee of bonds to the extent I have mentioned, and will receive in return a mortgage covering the entire line, terminals, short lines and all, in this way rehabilitating and making certain the financial position of the province with regard to this railway."

A Factor in Public Ownership

"Should it ever come to pass that the province be compelled to take over this property as mortgagees it will have a property costing a great deal more than the province would have to pay for it, and complete in every respect, instead of a mere mortgage on part of a property which would be practically useless. What more need be said?"

Where Were the Opposition Leaders ?

"Then, so far as 'the last hours of the session' is concerned, this expression is simple nonsense, or, if you like it, more twaddle. The

session closed on Tuesday. This bill was introduced and explained on the preceding Thursday. It could have been debated until to-day if the Opposition had wanted to do so. But they did not want to do so; and in spite of that are not ashamed to object to it to-day in order to, as they desire, cast some odium upon the Government. The Opposition did not call for a division. They did not say one word in opposition to the bill. They wanted the bill to pass. Consequently it was carried unanimously, they voting with the rest of the members in favor of it. There will be more to be said later on."

The Liberal Attitude

Since the prorogation of the Legislature, both The Globe and Mr. MacKay have started to oppose the guarantee. In a speech at Fergus on the 19th April, Mr. MacKay declared that the Opposition had no opportunity to discuss the guarantee, and that there was very little justification for some features of it.

The fact, however, appears to be that the Opposition, on the advice of Mr. MacKay, deliberately decided to support the measure. This is made clear from the following interview given by Mr. Pense, M.P.P., chief lieutenant of the Liberal leader and published in the press on April 24th:

"Mr. Pense stated that he had conferred with Mr. MacKay as to the action the Opposition should take, and that the Liberal leader had advised against any opposition to the measure, maintaining that the Liberals were committed to it by their previous guarantee, and that the present proposals were in accord with the policy inaugurated by the Liberals."

NO BIG TIMBER SALES

More Careful Business Methods Make it Possible to Avoid Extensive Drafts on Ontario's Capital—Smaller Lumber Dealers Get a Chance—Timber Now Sold by the Thousand Feet, Instead of by Guess—A Sample Liberal Sale—Public Competition for Pulp Concessions Pays.

The Whitney Government has not found it necessary to hold any large pine timber sale during its term of office. During the last four years of the Ross administration it was necessary to procure six millions of dollars from this source, which it must be admitted, was a considerable draft on capital account.

Not only have there been no big sales, but the Government has materially changed the methods of its predecessors in sales it was found necessary for the supply of local demands to hold. One of the great complaints about old sales was the fact that such large blocks were put up that only the very wealthy could buy, and the conditions of sale made the bidding hazardous unless one had time enough, or timber cruisers enough to thoroughly estimate the large berths offered, or unless one could get a hint of the Government's estimate and upset the price from the gentlemen conducting the sale—as one dealer has sworn he did.

Guess Work Sales Abolished

Such timber as the Department has had for its disposal has been sold in small blocks and with a time limit, and one objection of the smaller dealer was thus removed. Another was overcome by making the cash deposit as small as was consistent with a guarantee of bona fide and safe business methods. Then the Minister removed the element of guess by the simple expedient of selling the timber by the thousand feet, B.M., which made a close estimate of the berth of less importance to the purchaser. He only pays for what he takes out and as he takes it out, and, on the other hand, the Government gets paid for every foot of timber on the limit, as it appoints its own scalers. By this method of sale the element of guess work has been eliminated and a timber sale takes its place as a business transaction rather than a BIG GUESS. Under old conditions if a bidder guessed wrongly and found he had paid too much for his timber, he sometimes failed to pay after the sale and left the limit with the Crown. If he found he had several millions more than he thought he was buying, he was simply that much in and the Government that much out.

High Prices for Small Lots

Some of the prices obtained at these sales have been remarkable. One small sale near the Soo brought a bonus of \$10.52 per M. feet and dues of \$2.00, or a total of \$12.52 per thousand. The Department also sold the pine on Franklin Island, in the Georgian Bay, at \$12.26 per M., and bonus of \$2.00, or \$14.26 in all.

A Sample Liberal Sale

Some of the methods which prevailed in the happy days of Liberalism would be laughable if they were not so lamentable. One sale of ostensibly burnt pine which they made in the Onaping country has come in for considerable attention lately. The timber was sold in 1898 to McNeil and McLeod, and before the sale the Government had not even run a line around the timber to mark the territory. It would be thought that a line would be necessary even for the purpose of proper advertising, but the only detail given in addition to the general location of the timber alleged to have been injured by fire was the statement that there were about seven and a half million feet of timber in the area which was situated on what is called Rumsey Lake, the Dead River branch of the Spanish. It was sold by tender for a lump sum of \$20,150.00 bonus, subject to dues as the timber was cut. Soon after, upon application to the then Commissioner, the purchasers were permitted to extend their cutting on the east side of the river and kept cutting through what they called damaged timber until they reached nearly to the shore of Onaping Lake, which was many miles from where they started. Then the question of boundaries came up and they came to get the boundaries declared by the Department. The then Commissioner fixed the boundaries as far as possible and they were laid down on a map, a copy of which was furnished to the owners of the territory, the Metagami Lumber Company. The Company desired to sell out its rights to the Georgian Bay Lumber Company. Before the Georgian Bay Lumber Company would purchase, it came to the Department and inquired if the boundary shown on the plan were correct and it was told they were. The Georgian Bay Lumber Company then paid over the purchase money and got a transfer of the property. Later on, when the present Government came into office, the Georgian Bay Lumber Company were anxious to sell and made application for approval of a transfer to the Company they were selling to. Investigation had shown to the Government that a great deal more had been given than the original purchase covered, and timber cut, which the Government considered they had not paid for. But the Georgian Bay Lumber Company were in the position of innocent purchasers, who had taken every possible precaution by coming to the Department to see that the title was good before paying over their money and the Department is the only place where the title of a timber license is registered, and therefore the only place the Georgian Bay Lumber Co. could go to. The Government felt that the honor of the Crown required that they should not ruin or embarrass innocent purchasers. While this was the position on the one hand, on the other, the Government was satisfied that the quantity of timber on the territory was greatly in excess of what was expected, and that, although the territory was practically delineated on the plan they held, the Government pointed out to them the seriousness of the situation and insisted that some reasonable consideration should be paid for the timber. Finally, \$50,000 was regarded as a fair compromise or sum to be paid, and that sum was paid in and the Government allowed the transfer to go through. Now, the Government does not say that it got all the timber was worth if it were offered for sale to-day. What it does say is that, having regard to all the circumstances, the course it pursued was the best one that could be pursued and the Province has got \$50,000 that it never would have got under the late Government. In addition, a time limit of ten years was set, within which operations must be completed and the ground rent of \$3.00 a mile charged in addition to the dues.

Pulp Concessions and Competition

Much has also been said and written of the fact that for the Montreal River Pulp Concession, which the late Government gave away to friends

without competition, this Government has been able, by public competition, to secure a bonus of \$300,000. This would seem to speak volumes for open sales, but Liberal Speakers are unconvinced and maintain that the old arrangement was the best because Mr. Booth, who has secured this concession, has his pulp and paper mill located at the City of Ottawa and may employ some hands from the Quebec side of the River. As those who got the concession originally were pledged to build a mill on the Ottawa, above Pembroke, and Quebec is on the other shore, it is difficult to attach any weight to the Liberal contention. Instead of building a mill, the original exploiters got busy and tried to sell the concession, in which they failed, and, as the conditions were not fulfilled, the present Government put an end to the agreement. A number of concessions granted by the late Government in the same behind-the-door-fashion have reverted to the Crown and been disposed of after public competition. These include:

Name	Bonus
The Montreal River Concession.....	\$300,000
Dryden Concession.....	6,000
Rainy River Concession.....	32,000
North Temiskaming Concession.....	40,000
	<hr/>
	\$378,000

The latter is a new concession, and is included merely to complete the total received by the present Government for Pulp Concessions after public competitions. And it must be remembered that the same working conditions have also been exacted and, in addition, the dues on jack-pine and woods other than spruce, have been slightly increased by 10 cents a cord. An important change in policy was also incorporated in the conditions of the latest sale of the Rainy River concession, by which the pulp must be manufactured into paper in Canada.

The Government has not yet sold the Nepigon Pulp Concession which was cancelled on the late holders. It is a splendid concession, with power tributary, and should bring another \$300,000.

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